

CHINA'S  
BUSINESS METHODS  
AND POLICY

BY

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## PREFACE.

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I have wished to find some of the elementary principles which base and influence business and social China and to present them without unnecessary detail. With this in view the following papers were written.

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SHANGHAI, CHINA,

*October, 1903.*

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For acknowledgement is made to the above authorities. I also wish, in this connection, to thank Mr. H. T. Wade, an old resident of Shanghai, for material aid in the preparation of the papers on "Commercial Trend" and "Shanghai."

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## ERRATA.

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There are a few words that should sound in the plural instead of the singular and *vice versa*, but the reader will easily detect the inadvertence.

# CHINA'S BUSINESS METHODS AND POLICY

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## ADMINISTRATIVE SYSTEM.

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In some books on China it is written that the Chinese are a homogeneous and immutable people, but the statement is misleading and inaccurate, for although there are certain characteristics which mark the Chinese type, it is nevertheless true that there is a distinction as marked between the inhabitants of the Northern and Southern provinces of China as there is between the inhabitants of some of the nations of Europe, and in the serious matter of religion and government the Chinese have equalled, if they have not surpassed, not a few of those nations in the capacity for upsetting society.

The native of a Northern province can neither speak nor understand the business dialect of the native of a Southern province, and *vice versa*; and if a judicial officer of Canton should

be sent to Tientsin to hold Court, it would be necessary for him to have an interpreter, familiar with the Tientsin dialect, to enable him to discharge his duties properly. The dress of a native of Peking is different from the dress of a native of Canton, and clearly indicates that the former is not an inhabitant of a Southern province, as does the dress of the latter that he does not hail from the North. Not alone is there the distinction in dialect and dress, but the dissimilarity in face, manner, and custom impresses the traveller from a Northern to a Southern province; and there are customs peculiar to some of these provinces which regulate important functions of government, and this is true with regard to the imposition of taxes, the nature and interpretation of contracts, and the collection of revenue.

The tribal government, under which the Chinese first appear in history, gradually grew into a vast feudal system, when ultimately the whole system was centralized by the mastery of a chief who declared, that as there was one sun in the sky there should be but one ruler in China. But the feudal system, thus destroyed and centralized, did not combine to form the civil and administrative unity which is often attributed to the government of China. The peculiarities of a tribal government and of the

feudal system may still be traced in the administrative system of China, and although the conquering Manchus have ruled China for centuries they have never been able to efface such peculiarities, but have tacitly recognised them. If Russia has absorbed Poland, Manchuria has not absorbed China; and when the Thibetan Lama predicted to the Manchu chief, that he would conquer China and be seated on the Throne at Peking, the prediction would have been more complete had he told him that his whole nation, its manners and its language, would be engulfed in the Chinese Empire.

A people who allow themselves to be easily influenced on other subjects do not change their opinion on politics and religion, except upon the strongest conviction, but the Chinese have not been constant in religion, and on the score of revolutions and the tragic overthrow of dynasties, the revolutionists of Europe are comparatively infantile in that art. In politics they have as feverish a taste for change as a profound indifference for religion, and these two traits are leading in Chinese character. There is no State religion in China and never has been. It is true that the writings of Confucius have influenced and still influence the Chinese mind as the writings of no other author, but Confucius specially wrote in his books that he

did not profess to teach that there was a life after death or how that life was lived, as he knew nothing of either, and therefore proposed to teach how to live on this earth. The purity of many of his rules and precepts have been acknowledged by the ablest divines, but he leaves the mind in darkness and without the comfort of hope. Notwithstanding the reverence in which the Chinese hold his writings, their inconstancy during his lifetime was evidenced by their division into two principal religious sects, five or six systems of philosophy, and each teaching a contradictory doctrine. Afterwards came another creed—that of Buddhism—and these several creeds have for centuries held possession of an Empire which counts one fourth of the human race. The divisions and quarrels which, at various epochs of Chinese history, these religious beliefs have given rise to, have been long and tragic; and while the cultivated classes of China have been attached to the Confucian philosophy, the multitude have inclined to the superstitious practices of Buddhism. It would be difficult to find elsewhere than in China a people who could adopt all these various creeds and philosophic systems without troubling to reconcile them with one another. After suffering themselves to be blown about by every wind of doctrine, they



plunged into a religious indifference from which protestantism is endeavouring to arouse them ; and the protestant missionaries need not be discouraged by any belief that the Chinese are an immutable or immovable people. But it will be necessary, in the interest of the general peace, to remember that the Chinese look to the writings of Confucius as their code of morals and principles, and this confidence in their great Sage should be properly respected.

The social theories which have thrown the public mind of some European nations into a ferment, and which have recently engaged the attention of the people of the United States, are ancient in China. Centuries before Diderot, D'Alambert and their associates wrote the encyclopædia and published the social theories which hastened the French revolution of 1789, the Chinese scholar, Wangugan-Che, in the eleventh century, composed a universal dictionary into which he insinuated his own opinions, and which, on comparison, it would appear that those of the French writers were mostly borrowed. The aims of both were the same : they aimed to overthrow established order ; under any form of government such writers would have been revolutionists, and they succeeded for a time. The socialism of the Chinese was a surrender of individual liberty

to the state, while that of the French was the extreme phase of democracy. Both these social theories produced revolutions; both were put into practice, and both failed, because the distinction between liberty and democracy was not observed, and popular rights and franchises were sought to be extended and maintained without regard to established order. In France, the revolution ended in Napoleon becoming Emperor; in China, the revolutionists, being defeated, fled the Empire to the deserts of Tartary and joined the Mongol tribes in the successful invasion that placed Genghis Khan on the throne of China.

There is a period of twelve hundred years in the history of China during which there were fifteen changes in the dynasty, and the uprising in the year nineteen hundred and the siege of Peking are additional evidence that the constancy and immutability of the Chinese, which are eulogised by some writers, may be reasonably challenged. But it is not intended to combat the generally received opinion, that the Chinese are strongly attached to their ancient customs and laws, for that opinion is in the main correct, though it would not be correct to conclude that they were so organized, in mental constitution, from all other races, as to exclude the belief that, under strong influences,

they were not susceptible of great and radical changes.

Any attempt to understand the administrative system of the Chinese government could never be intelligent without bearing in mind the pivotal fact, that each province exists as an independent unit and is sufficient unto itself. There is a resemblance between that system and the Articles of Confederation under which the American Union was formed, and for all practical purposes the provinces are as self-existent as were the States under those Articles. In theory, the government of China is a pure despotism, but its administration is conducted in accordance with many of the principles of a democracy; and this is why, in describing the government of China, it is important to distinguish between what may be designated as the unit of the Chinese Empire and the unit of the Administrative System. The Emperor is the head of the Empire, but the family is its base, and the foundation for the solidity of the former. It is not, therefore, from the Central Administration at Peking, but from the family unit, that the building of the governmental fabric proceeds.

It is to the single family that the number of families is added which constitutes the village, and from the group, thus forming the

village, a headman is selected as the arbiter of disputes and the dispenser of justice. Proceeding upward, a larger number of families constitute a town, and the same custom of selecting headmen applies to towns as to villages; but although usage and custom exempt the inhabitants of the villages and towns from official interference, the respective headmen are held responsible and accountable for the order and obedience of the inhabitants.

From the town to the district is another step upward, but over the district, which is usually composed of several villages and towns, and is about the size of an ordinary county, an official of the government presides who is known as the District Magistrate. As the family is the unit of the Empire, the District Magistrate is the unit of the administrative system and the beginning of the official hierarchy—the last connecting link between the throne and the people. The duties of the District Magistrate place him nearer to the people than do the duties of any other official, and his relations to them intimately concern their welfare and bring under his immediate supervision their daily life. The eighteen provinces of China proper are divided into about thirteen hundred districts, and this fact makes clear the importance of the officer who

presides over each, and who exercises the responsible functions of an educational, judicial and fiscal character.

After the District, comes the Department, which includes several districts and is presided over by an officer officially styled the Prefect. It is the earliest division of the administrative system, and there are now about one hundred and eighty departments. The duties of the Prefect remove him farther from the people than do the duties of the Magistrate, and the Prefectural office is the Court of Appeal from the Magistrate.

Ascending in official grade and administrative division is the officer whom the Chinese designate as the Intendant of Circuit, and the division over which such officer presides is formed by the grouping of several Departments, and is the Circuit. To foreigners, the Intendant of a Circuit is better known as the Taotai, and it is this officer who sustains at the treaty ports of China the more intimate relations with foreigners. Of the eighty circuits of China the more important are those of the principal treaty ports, as all business, outside of the territorial administration, and which relates mostly to foreign affairs, is the special function of the office of the Intendant or the Taotai.

Each province has its governor, but there

are several officers grading between the Governor and the Taotai, and these are the Grain Intendant, the Salt Commissioner, the Provincial Judge, and the Provincial Treasurer. The title of each officer indicates his duties:—that of Grain Intendant being the Chief Controller of the Provincial revenue from the grain tax, whether collected in money or in kind; that of the Salt Commissioner relates to the revenue derived from the Provincial Gabelle or Salt Monopoly; and the offices of Provincial Judge and Provincial Treasurer are sometimes classed together as the two chief Commissioners of the Provincial Government, the one being a judicial Commissioner, and the other the head of the Civil Service in each province and treasurer of the provincial exchequer.

Up to about three hundred years ago the Governor was the officer of highest rank in a province, but since that date two or more provinces have been united under the executive authority of an officer styled the Governor-General, or, known better to foreigners, as the Viceroy. The grade of the Viceroy is a shade higher than that of the Governor, but he is not always regarded as the superior official, for in many instances neither of the two can move without moving for the consent of the other.

Both are cautious in issuing commands, and when a command is issued, it is usually qualified with the words:—"But you will at the same time await the instructions of His Excellency the Governor, or His Excellency the Viceroy, as the case may be." The same caution is observed when the Viceroy and the Governor jointly memorialize the Emperor; both may join in the memorial, but if the subject of the memorial is one of great delicacy, and there should be doubt as to how it might be viewed by the Emperor, the drafter and signer are usually distinguished thus:—"I may add that your servant the Viceroy, or, your servant the Governor, drafted this memorial." If either of the officials is a Manchu, then the word "slave" is used instead of servant in reference to that official.

In theory as well as in practice the Viceroy is really the superior of the Governor, and it is seldom that the latter antagonizes the known wishes or purposes of the former. In a few of the provinces the Viceroy administers affairs without the intervention of the Governor. The province of Chi-li, for example, is under the direct and exclusive administration of a Viceroy, and at Canton and Nanking the Viceroys of the provinces, within the boundaries of which those cities are located, directly

supervene the salt gabelle, have control of military affairs, and are the responsible agents for correctly informing the Central Government on subjects bearing on the relations between China and the Western Nations.

But it should not be understood that the officials, whose grades are between the grade of the Taotai and the Governor, are sinecures in the administrative system, for in routine matters especially, they are not forgotten, and in civil advancement they do not escape responsibility. It often happens that, when the Viceroy and the Governor submit a name to the Emperor for promotion, the memorial mentions that the candidate was nominated by the Provincial Treasurer and the Provincial Judge, thus showing that these two officials are not allowed to escape accountability for what may prove to have been an unwise nomination; and the unwillingness to assume responsibility and the ever readiness to shift it is a striking feature of the working of the system.\*

The main idea that runs throughout the entire provincial organization is, that each province is a state, as it were, in itself, the existence of which is independent of any other, and the government of which, like that of a village, is uniformly free from outside interference. In its administrative orbit the



movement is autonomous. The whole machinery, educational, fiscal, judicial and penal is, practically, independent. Under the authority of the Governor the revenue of the province is administered, its defense is provided for, competitive examinations held, and other functions of government exercised. The Central Government refuses to interfere and is generally silent, except when in a critical mood; and it is seldom that a Viceroy, although the superior colleague of a Governor, takes part in the provincial administration.

The appointment of the officers of the Empire is the prerogative of the Emperor, but, after a Governor has been appointed over a province, if he is reasonably prompt in paying the requisitions made against his province, and in preserving the peace therein, he need not apprehend intervention by the Central Authority. And as a Governor has the privilege of memorializing to the Emperor in his own name, and, therefore, to directly report the conduct of subordinate officials, so it may be written, that as the District Magistrate is the link which connects the people and the official hierarchy, the Governor is that which connects it with the Throne.

Having briefly viewed the Provincial System, and seen that the Governor is, for all

practical purposes, the immediate agent between the Throne and the official hierarchy, logical inquiry now directs to the Central Government and how its affairs are administered. The Emperor is the source of all power, but the administration of the Central Government is entrusted to two Councils, known as the Grand Secretariat and the Grand Council, each having its President, Vice-president, and subsidiary board with the management of a separate department.

The Grand Secretariat is of greater antiquity than the Grand Council, and has been the more important division of the Cabinet from early times. Its composition consists of four members, with two assistants, and, as aids, there are ten learned men selected from the Hanlin College, in addition thereto about two hundred secretaries selected otherwise according to pleasure. The duties of the Grand Secretariat are such that the members sustain the closest official relations to the Emperor; they submit to him all papers relating to the affairs of the Empire, and receive from him the instructions necessary, in accordance with which official edicts are prepared; they keep the seals used for the departments and documents, and are the officials the Emperor more frequently consults and in whom he mostly confides.

The Grand Council is of later date than the Grand Secretariat and was provided for in 1730. It is before the Grand Council that the heads of the departments appear when the Emperor is to be consulted, and it is less ornamental than the Grand Secretariat, having the more onerous duties to discharge, and sometimes framing the edicts for the Imperial signature. When the Grand Council was formed the intention was to make it a far more numerous body than it has ever been, but the intention was abandoned under the belief that fewer members would oftener speak with one voice, consequently enhancing its influence, than would a divided Council, which was to be apprehended from a greater number. In theory, both the Grand Secretariat and the Grand Council have daily audiences with the Emperor, and, in practice, this is probably necessary in order to facilitate the transaction of the business of the Empire, but in recent times the Grand Council has succeeded, in business importance, the Grand Secretariat, and has become the Imperial Chancery or Court of Appeals. Under the two Councils there are six administrative boards; each board has an organized staff of clerks and is otherwise well equipped for the business it was formed to transact.

The Civil Board has jurisdiction over the mandarin or official class, regulating their duties, pay, and promotion, the assignment of work and the granting of leave; and whenever the Emperor confers posthumous honors or rewards they are distributed by this Board. But such recognition is oftener conferred on the living, as the desire to please could then be more substantially appreciated than if made to the shade of the departed.

The Board of Revenue, as its name implies, receives the contributions from the provinces and disburses the payments of the administration. And it is this Board which has the confidential duty to perform of ascertaining the names of the Manchu women eligible for the Imperial harem, thus combining the functions of collecting and distributing money and women, and which has ever been a potent agency in influencing the administrations of Governments, and doubtless giving to the Board a far reaching importance.

The Board of Rites is probably the most important in this branch of the administrative system, for a distinguishing feature in the national character are ceremonies and ritual observances, and these constitute the main function of the Board. The *Book of Rites*, which contains fourteen volumes, is the statutory

law for this Board, and the ceremonies for feast days, and even the cut of a court jacket are minutely described and must be as strictly observed. There is no act of omission that will bring a Chinese official as quickly under the censure of a superior as to be careless in official ceremony, and on court occasions, or when the Emperor is travelling, to violate any requirement of the *Book of Rites* invariably results in the dismissal of the offending officer.

The Board of War should be the most important, for in a despotic government the soldier is the chief reliance of the throne, but in China this Board has never succeeded in preparing the Empire for defense against external enemies nor security against internal foes. Owing to the peculiar autonomy of the provinces, each having, when it has any at all, its own military organization, the Board is really prevented from extending its authority over China with the view of forming and centralizing and controlling a military organization. Even the garrison at Peking is a distinct military organization, independent of the control of the Board, as is likewise the Banner Army of the Manchus and Mongols. The Board is powerless to organize an effective army when there is no uniform system, no single idea governing, and the entire absence of co-operation.

During several years, immediately preceding the late war with Japan, China expended millions of dollars to equip an army and navy, but when war was declared, and the result of the vast expenditures were put to the test, it melted away like mist before the rising sun. And it was not because the military material was wanting in Chinese character, but because there was no organization, no rallying point in the military system, no one directing mind, and an almost total absence of confidence by the soldier in his superior officers. To have a military organization in China worthy of the name there must be a thorough radical change in the very thought and habits of the Chinese.

The Board of Punishment might be more aptly described as a Court of Appeal. With this Board are associated, at certain periods of the year, the Censors and Court of Revision, and when the three are combined they form a Supreme Court for the trial of capital offenses; at other periods of the year there are six minor courts associated, forming the complete judicial bench of Peking, and for the purpose of revising the punishments ordered throughout all the provinces before placing them before the Emperor for his approval.

The public works and expenses are prerogatives of the Board of Works, and what-

ever relates to the plans for buildings of wood or earth, to the form of useful instruments, to the laws of stopping up and opening channels, and to the ordinances for constructing the mausoleums and temples are under the government of the Board of Works. The duties of this Board are miscellaneous as the indicated outline shows, but it will be difficult to find anywhere in China any evidence that they have been performed at all, and if the sanitary conditions of Peking, where the Board sits, be an example, no proof could be more conclusive that it has no conception of what those duties are, for nowhere on earth does such an insufferable stench pervade the air as at Peking. In travelling in China it is easy to see that no attention is given to the repair of the waterways of the Empire, and that the Grand Canal, a monument to Chinese skill and industry, has been neglected to the extent of greatly impairing its usefulness and defeating the object of the great mind that conceived its necessity as a means of advantage to the people.

Before 1860, there was no department of the Government of China charged with the transaction of business relating to intercourse with foreign nations. It was not the policy of the government to have intercourse with foreign nations, but on the contrary to avoid it, and if

not possible, to discourage it. But the pressure of events compelled the abandonment of the exclusive policy, and in 1860, a special council memorialized the Emperor upon the necessity of deciding how foreign affairs should be conducted, and providing for a department for the purpose, and it was in consequence of such memorial that a decree was issued in January 1861, commanding the formation of the new department so generally known to foreign governments as the Tsung-li Yamên. But notwithstanding the decree, the unwillingness to depart from what had been a cherished policy is evident in the constitution of the new department, which is not so much a separate organization as the colour of a Cabinet formed by the admission of members of other departments, an unwillingness emphasized by the fact, that for thirty years after the institution of the Tsung-li Yamên its name does not appear in the official records. When first organized the Tsung-li Yamên consisted of three members, but soon afterwards another was admitted, until subsequent admissions have raised the number to eleven. This department is closely identified with the Grand Council, some of the members of the latter often being members of the former, and as a Taotai of a Circuit sustains closer relations with foreigners than any other



official of the Provincial administration, so is the Tsung-li Yamên, in the Central administration, the department addressed by the foreign ministers at Peking on all subjects relating to the intercourse between China and their respective nations. This agency between the Central and foreign governments is now known as the Wai Wu Pu.

On all of the departments of the Central and Provincial governments there are checks and balances of a general character tending to make one more or less dependent upon the other and, in this way, preventing any very important action without joint co-operation,—a barrier to the weakening of the power of the Emperor or to enterprises against the safety of the Empire. But there is another balance wheel in the system, the revolutions of which are watched with solicitude and fear by the whole Chinese bureaucracy.

This balance wheel is composed of fifty-six men, known as Censors, who are distributed throughout the Empire. They are the intended sentinels to guard the Empire against official disloyalty and corruption, and their duty is to report to the Emperor whatever impresses them as not comporting with dignity and justice in the administration of the departments. The Censors hold their positions for life and are not allowed

to accept office or enjoy other emoluments than those pertaining to their duties; and having once accepted employment they cannot change it for any other, however better the preferment, thus taking away the temptation to be partial or the fear of losing their positions. These men scrutinize the private and public lives of all officials, and that of the Emperor is not exempt from their scrutiny; they are empowered to report on what they hear and see, and evidently can be very troublesome when so inclined. There is no curtain thick enough to hide the sacredness of the family circle from their penetrating eyes, which even look into the Imperial sanctum and confront the Emperor with memorials of his social and official failures. There are instances where Censors have suffered the consequences of over inquisitiveness and too outspoken complaints, but bodily punishment is rarely inflicted upon men who, by the fundamental organism of the Empire, are to be exempt from punishment and free in the discharge of their duties; and men wielding the influence of Censors enjoy a self-protection which the boldest do not care to interfere with, though the suspension or disgrace of a Censor has sometimes quickly followed a too searching scrutiny.

In outlining the duties of the Board of

War, it was intimated that the garrison at Peking was a distinct military organization and was independent of the control of the Board, and the same principle of independent organization rules in the civil government of the City. Although Peking is located within the Province of Chi-li, over which a Viceroy presides without having to recognise a Governor for a colleague, there is a separate administration for the District of Peking, just as the district of Columbia creates a special sphere for Washington outside of Maryland and Virginia; and this is also the case with regard to the northern or mountainous half of Chi-li, which lies beyond the Great Wall, and which is under the Superintendency of Jehol and the Military Governor of Kalgan. The District of Peking and that lying beyond the Great Wall are strongly Mongol in flavor, and bear relations to China proper as Algeria to France or Poland to Russia.

Manchuria, the ancestral home of the reigning dynasty, is divided into three provinces, but these are organized mostly on a military basis and are seldom considered in connection with the eighteen provinces which constitute China proper; and for the dependent territories of Mongolia and Thibet there are no special regulations provided for their government, nor any

for the aboriginal tribes scattered along certain parts of the frontier of the Empire and over some of the Southern and Western provinces.

A practical illustration of the independence of a province and the sovereign power of a Viceroy was afforded during the Boxer uprising in the year 1900. The Capital is alleged to have been invaded by a frenzied and infuriated soldiery that immediately gained control of the Central Government and undertook the direction of its policy. Soon the foreign legations were attacked and the attempt made to kill the ministers and all other foreigners in Peking. But during all of this sanguinary saturnalia the Viceroys of Southern and Central China were industriously engaged in entering into arrangements for the preservation of peace in their respective Viceroyalties. There is no satisfactory evidence that any of these Viceroys ever moved in earnest to go to the rescue of the Emperor to aid him in establishing order. The "Yangtsze Compact," which has been the subject of merited eulogy and praise for farsightedness, was an agreement between Viceroys, whose Viceroyalties included the valley of the Yangtsze River, and the foreign Consuls at Shanghai, that the Viceroys aforesaid would remain in their Viceroyalties and preserve the peace therein, and this

obligation the Viceroys undertook and faithfully performed. It is conceded that, by virtue of the agreement, peace was preserved in many of the provinces of China, and all just credit is due to those who conceived and executed it; but the fact that a Viceroy could assume an obligation of such a sovereign character and carry it out, only proves the weakness of the Central power when it does not accord with the interest of a Viceroy and the peace of the people of his Viceroyalty to recognize it. And it is the division of China into so many provinces, whose Viceroys and Governors exercise the prerogatives of a sovereign, that has rendered foreign life and property insecure. If such sovereign prerogatives were denied to the high provincial officials, and the Central Government not allowed to shift responsibility, as is too often done, upon the provincial officials, but held to the strictest accountability at Peking, there would be less disturbances and greater safety for foreigners who come to China to follow vocations permitted and guaranteed by treaties.

When a foreign subject is the victim of mob violence in one of the States of the American Union, the Federal Government refers all complaints to the State authorities for justice, and a somewhat similar policy governs

the Central Government of China when attacks are made on foreigners in a province. The policy is faulty, and it has been and is specially dangerous in China. It is dangerous to foreign life and property, and unjust to the Chinese in that it licenses the rapacity and extortion of provincial officials and hides from the Emperor the injustice and oppression too often practiced upon his subjects.

LAND TENURE.

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It was Thomas Jefferson who wrote that the cultivators of the earth were the most valuable citizens, because they were the most vigorous, the most independent, and the most virtuous. Mr. Jefferson also wrote, that when there was a surplus of population in the United States it should be turned to the sea, because the American people should enjoy an equality of right and be able to enforce it on that element, and because artificers constituted the class by which the liberties of a country are generally overturned. It is certain that the government of the United States has recognized the necessity for a larger naval reserve, and that there is difficulty in increasing it on account of the scarcity of sailors; and the healthy conservative sentiment of that country has been represented by the class of its population, which is engaged in the cultivation of the soil, and among which there have been no labor strikes and no riots to disturb the order of society.

In China, it is only necessary for the traveller to be generally observant to be

impressed that the cultivators of the soil are the most contented and loyal subjects of the Empire; and my purpose here is to give an outline of land tenure in China, how a title to land may be acquired, the protection afforded the owner, and the security he has for the enjoyment of the fruits of his labor.

According to the theory of the government of China the title to all land is vested in the Emperor, and he imposes taxes as he may decree, and appropriates for public use and without compensation whenever he chooses to do so. But although the Emperor has such an absolute power to tax and appropriate any or all the land within the boundaries of his Empire, the land is nevertheless parcelled out among his subjects who, practically, enjoy as undisturbed possession as do the people of any nation. The deed is issued by the Local Authorities, and if the holder pays the assessments made by the government he may sell or mortgage the land as conveniently as can be done elsewhere under any law. The average tax on land is generally moderate, and while it may be increased at any time, the Central government seldom exercises any despotic prerogative over the property of Chinese that is not fully warranted by long custom, and with their approval. With regard



to waste land, this can be entered by application made to the proper authority, and, after it has been entered, the same regulations which govern in respect to other land are enforced, and the land so entered may be sold or mortgaged. The private lands of the Emperor, such as the palaces, the imperial parks, and pleasure grounds are exclusive, and are exempt from taxation and free from all other burdens of government.

There is a military tenure which entered into the land laws of China after the conquest by the Manchus. It is similar to that which William the Conqueror enforced when he portioned a large part of England among his followers. The Manchu conquerors partitioned certain parts of China among their followers and made grants to them for the lands thus confiscated. Such lands are also exempt from taxation, and while the condition of military tenure does not so clearly appear, as it did in the terms expressed in the grants of the Norman conqueror, there was, however, an implied condition that the grantees were to render military service whenever it should be required of them.

In China, those who occupied the land, at the time of the grant of partitions, were generally permitted to remain and pay rent to

the new owners, but in some instances they were driven off to make room for their conquerors. The change brought with it many hardships: rents were raised in proportion to the extravagance or economy in living of the new owners, and the greed and indifference of a conqueror were substituted for the considerate and liberal policy of the native rulers. At one time the land which had been partitioned among the Manchus could not be alienated, as this was prohibited by the principle of military tenure, but the rule has been relaxed, and much of the land so held has been purchased by the conquered from the conqueror, the Chinese being more thrifty and provident than the Manchus.

There is another tenure, different from common tenure, and which is in the nature of a grant to certain clans or families on the condition of their guarding the frontier of the Empire, or annually furnishing a certain number of boats and men for transportation service. The land so granted was not entirely exempt from taxation, though the amount of the assessment was much smaller, and it could not be alienated outside of the families affected by the particular service; but the distinction has practically disappeared, and now about nine-tenths of all the property in the Empire is held by common tenure.

The method of transferring land, when the purchaser wishes to acquire a complete title from the owner, is by deed. The price being agreed upon, the owner executes to the purchaser a deed, in which is set forth his wish to sell, together with a full description of the land, and further, that having first offered the land to his kinsman, who declined to buy, he therefore sells it to the purchaser for the price named because he needed the money. As in the case of a marriage, the negotiations in this transaction are also conducted through the agency of middlemen; sometimes there are as many as eight or ten middlemen acting in one transaction, and no prudent business man will pay his money and accept a deed when there has been less than two; but, while the middlemen sign the deed, they do not sign it as guarantors of the title conveyed, but in proof that the seller is what he represents himself to be, and for the purpose of giving the sale the required publicity. These middlemen have their compensations by a commission, which they do not neglect to have specially provided for in the deed, and, if they are "old hands at the business," they invite themselves to a feast, prepared at the expense of the parties who are directly interested, and as a finality of the transaction.

All deeds are required to be registered at the office of the Magistrate of the District in which the land is situated, but before a deed can be registered it must bear the seal of the village. Headman, called Tipao by the Chinese, thus showing that the influence of the family or clan runs through and more or less governs all transactions in China. The purchaser pays the expense of registration, and unless this charge is paid the land may be confiscated. The charge is nominally about three per cent of the amount of the purchase money, but the incidental expense, such as Yamên fees, make it amount to as much as five or six per cent.

The Chinese have a way of avoiding the payment of the additional per cent by understating the price. If three thousand dollars should be the real price, that stated in the deed will usually be not more than fourteen hundred dollars, or the seller will execute two deeds, one naming the price at sixteen hundred dollars and in the other at fourteen hundred, and both in identically the same terms, but only one will be delivered to the Magistrate for registration, while the other is retained by the purchaser as a receipt for his money.

The proof that a deed has been registered is evidenced by a piece of paper which is gummed to it and called the "tail," and on

which is written an official endorsement of the transaction; setting out the names of the seller and purchaser, the location of the land, the amount paid as transfer fees, and the amount of the annual land tax for which the new proprietor is liable. The deed thus returned bears the impression in red of the Magistrate's seal, and is known as the "Red Deed," and is the highest form of title obtainable. In some places the persistent evasion of registration has given currency to unstamped deeds, which are called "White Deeds," but these are always to be regarded with suspicion.

It was once the custom in China, that when land was mortgaged the mortgagee immediately entered into possession and remained in possession until the mortgagor redeemed it, and there being no definite time specified within which the redemption was to be made much inconvenience was the consequence. The mortgagor did not pay interest for the borrowed money, but as soon as the amount was agreed upon the land was loaned to the mortgagee instead of the money. The principle of the transaction was, that the money could not be demanded back, but that the land could, and hence reversing the legal order. But at a later period, the inconvenience of the indefinite

time for redemption, was remedied by a law providing that the right of redemption could be exercised within thirty years, unless some other time was specified in the deed.

It would seem that the defect of a more definite law, with reference to the mortgage of land, was due to the custom, that in theory the land was the heritage of the family or tribe of which the occupant was a member, and, therefore, could be the personal property of such occupant only for the time being, and, subject to the life interest of the occupant, the family or tribe had an interest in the reversion; the theory was not so far enforced as to forbid the actual occupant from dealing with the land, for when in need of money, he could borrow it on the land as security, but in so doing he was bound to respect the reversionary right of the family, either by reserving the right of redemption or by giving his kinsmen the first option to purchase. But the theory in favour of family, rather than individual, ownership, has felt the influence of the spirit of modern commerce, though even now, as has been seen, deeds conveying land to absolute purchasers contain the provision that the land was first offered to the kinsman of the seller, who had been requested to buy but had refused. A deed or

mortgage will be set aside by a Chinese Court when it appears that it was made under the pressure of circumstances, for an inadequate consideration, and in a case of fraud.

If money is borrowed for a short time only, and a mortgage given as security, the mortgage need not be registered, nor need the property change possession, but the title deed should be deposited with the mortgage, or a memorandum stating in full the nature of the loan. If the terms of the mortgage are not complied with the mortgage cannot be foreclosed without an order of court, and if the proceeds of the sale prove insufficient to pay the debt, it is doubtful if an action can be sustained against the mortgagor for the balance unless clearly expressed in the mortgage. The land and the money will be counted and considered as equivalent, thus meeting the idea of a compromise, which influences the settlement of nearly all controversies between Chinese.

At the open ports of China, foreigners have the right to purchase land from the natives, but the Chinese, instead of executing a deed in the usual form, executes to the foreign buyer a lease in perpetuity, which is registered at the consulate of the foreigner, and without any fee being charged by or paid to the Chinese authorities. There are many wealthy Chinese

who prefer to have their property under the protection of a foreign flag, and, when this is the case, a lease in perpetuity is executed and the foreigner gives a private paper writing showing the conditions of the lease. In some cases the conditions are not in writing, but the honor of the foreigner is relied upon as a guarantee of compliance. The land so leased sometimes appears on the official records as the sole property of the foreigner, and, if he is mean enough, it could be sold or mortgaged to anyone who did not have knowledge of the conditions of the lease. There are at each of the open ports certain lands set apart for the residences of foreigners, and Chinese are prohibited from owning any of such lands, but it is a fact that some of the most valuable of such property is owned by Chinese, who are investing largely in the industries being inaugurated and conducted at the open ports of the Empire; the prohibition is avoided by buying through the agency of a foreigner, who takes the deed in his own name instead of that of the real purchaser and owner, and the Chinese buyer contents himself with the word of his foreign agent, or a paper writing from him, defining the nature of the purchase and for whom it was made.

The succession to property, real or personal,



is in the male line, and, if there is no son, then one may be adopted by the owner of the property while living or by a family council after his death, and the male so adopted succeeds to the whole estate. If there be more than one son the property is equally divided, and they can agree among themselves how the division may be made, or the parent may make the division during his lifetime; the authorities need not be consulted, but, as the eldest son defrays the burial expenses, he is entitled to claim an extra or double share of the estate; if the estate is small the sons usually live together, supporting their mother and sisters, if any, and, when a part of the land is sold, the purchaser should be careful to ascertain how many may be interested and have all to sign the conveyance. The sons of a concubine, or an adopted son, inherit equally with the sons born of the proper wife. In no case does a female inherit, except when there is no male, either natural or adopted; and the succession is by operation of law and requires no ratification by the authorities.

It has been stated in this chapter that the tax on land was not oppressive, and that the amount of the tax was settled by the custom of the different provinces. But, in the year 1711, there was a decree fixing the amount of

the land tax by providing, that it should be levied according to the rolls of that year, and that there should not be any extra levy because of any increase of population. This decree, however, referred to the land under cultivation, as there was no tax on waste land which, if it had never been under cultivation, could not be taxed, although when under cultivation was taxed as other cultivated lands, and, therefore, as the empire prospered the aggregate amount of the land tax became larger. As the territorial unit, for government purposes, is the District, so the land tax is under the jurisdiction of the District Magistrate who is the tax collector, the judge, and the general administrator. And so long as he pays the requisition of the Central Government his methods of administration are not too strictly inquired into. Invariably there is a surplus from the land tax, because this is an accepted perquisite of the Magistrate, but he is careful not to publish the amount, though, should his district be visited by any calamity, serious to the industries of the people, there would be no delay in publishing that fact to the attention of the Central Government in a memorial for aid. In theory the Magistrate should report accurately the condition of his district, but the theoretical and practical administrations are

often quite different, and the provincial officials are not accused of being unmindful of their pecuniary interest.

It is estimated that about one half of the soil of China, which is under cultivation, is tilled by peasant owners, and that the other half is owned by retired officials and their families, the class known as the literati and the gentry, but this half is also mostly leased by small farmers, as tenants at will from year to year, and who pay as annual rent about one half of the principal crops. If the soil is poor the rent is not so large, but on most of the cultivated land of China a rotation of crops are raised, and these subsidiary crops belong to the tenant, the principal crops being rice and wheat.

As soon as a crop is harvested the part belonging to the landlord is delivered to his agent, who is generally present at the proper time to receive it, and in consequence there is seldom any rent in arrear. When the deficiency in the yield threatens the necessary supply, the Central Government responds to the situation by remitting all or part of the land tax, and advises the landlord to abate somewhat of his claim.

In the more populous parts of China the land holdings are often less than an American

acre, and seldom more than three or four acres, but on the frontier provinces, where the soil is not so fertile and the population more sparse, the holdings are much larger, though the tendency is to reduce all holdings to the size that will support a single family, a thoughtful preparation for a steadily increasing population. But the possession of a large tract of land does not necessarily indicate wealth, for by the family or clan law all the kindred are interested, and at the death of the owner it has been seen that there is an equal division among the male heirs. The titles of nobility in China are not associated with landed possessions, and as many of them are limited to a certain number of lives, or to even one life, the descendants within a few generations become a part of the general body of the community.

In some intelligent quarters the belief prevails that China is over-populated. The travellers along the seaboard and the great waterways have written in their letters and books that China was a "hive of human beings," and that the soil was taxed to its utmost producing capacity to support the vast population. The belief is easily understood if one journeys along the seaboard and principal waterways only, but away from these

geographical points population rapidly diminishes and one is in the midst of wide and fertile plains and valleys. Trade has not penetrated there, communication is wanting, and the traveller who does not observe closely returns and writes that the plains and valleys beyond the seaboard and waterways are sterile, because of the scantiness of the population. He does not write accurately.

If the population of China be estimated at 300,000,000, it is only about nine times that of Great Britain, while the area that supports it is more than fifteen times that of the British Isles, and this important fact is impressing itself upon the commercial nations of the world.

The late Viceroy Li Hung Chang once said, that the Chinese Empire included land enough for the home and the support of all Chinamen, and that there was no necessity for any to leave China because of the scarcity of land.

SOURCES OF REVENUE.

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The only direct agent of the Central Government of China, in the collection of the revenue, is the Imperial Maritime Customs, and this is superintended and managed by foreigners. The Central Government has no direct agency in the collection of the internal revenue of the Empire, for such revenue is collected and accounted for by the Provincial governments, thus showing their quasi-independence in exercising one of the most important functions of government, as well as an element of sovereignty, which it is strange an absolute government should delegate. It is no less strange that China, so long prejudiced against foreigners, and as hostile to intercourse with them, should entrust to foreigners the collection of the maritime revenue; but this contradiction in the theory and practice of the government is correctly illustrative of Chinese history.

The Board of Revenue at Peking, which is charged with the supervision of financial matters, makes up an estimate before the end of each year, and, when approved by the Emperor, it is apportioned among the various treasuries and

collectorates throughout the Empire as the sum required for Imperial purposes. There is in each province several of these treasuries and collectorates, and the money collected by the provincial authorities is deposited with them, and remitted according to apportionments. Whatever sums remain, after paying the apportionments of the Central Government, are disbursed in the discretion of the provincial authorities for provincial expenses; and should there be any surplus, after paying Imperial and provincial expenses, this also is a fund subject to discretion. There does not appear to be any annual adjustment between taxation and expenditure, and it is doubtful if any province could show a complete balance-sheet on the subject. If the apportionment of Imperial expenses for any one year should be unusually large for a province, the provincial authority increases the taxes and pays the apportionment. Taxes are seldom reduced.

A reference to the sources of revenue, and a statement of the amount, will indicate the financial strength of the Chinese government as now administered.

The governments of all oriental countries rely upon the land tax as the principal source of their revenue, but in China the revenue, derived from the land tax is not so large as it

was at the close of the eighteenth century, although there is no reason why it should not be larger, except that the collection and accounting for it is left with the provincial authorities who act about as they please. They aim to keep on easy terms with the Board of Revenue at Peking, and they succeed by promptly paying the apportionments of that Board. There are several publications which purport to give the regular amount of the land tax, but, by comparison, no two agree. In 1820, the amount was stated at 32,845,000 taels; later at 30,762,000 taels, and later at 29,287,000 taels; and if an average be made of the three years 1892-1894, it will not exceed 25,088,000. The provinces from which the largest sums of land tax are collected are Chili, Shangtung, Shansi, Honan, Kiangsu and Szechuen, but Szechuen is the only province of the eighteen showing any very decided increase.

The salaries of Chinese officials are known to be small and inadequate, and the decrease, which appears in the published statements of the land tax, may be possibly traced to some official pockets, for there is evidence abundant that the actual amount collected from the people greatly exceeds the amount accounted for.



Jamieson gives an example of Chinese methods of levying taxes:—"The fees which a certain junk chartered by a foreigner was called upon to pay upon passing a barrier amounted to 12,000 cash, equivalent to 7.50 taels. The charterer was not interested in disputing the amount, but he wished to have a receipt as a voucher for disbursement, and for that purpose he applied to the native office, where he was tendered a receipt for 4 taels. Failing to convince the officials that 4 taels could not by any possibility be regarded as the equivalent of 12,000 cash, when the market value of the tael was about 1,600 cash, he applied to his Consul, claiming a refund or receipt for what he had actually paid. In the correspondence that ensued the Chief Chinese authority explicitly declared that though 4 taels was the proper charge (which, indeed, was easily ascertainable from the tariff) yet a tael was not a tael in the ordinary sense of the word, but was such a sum as would enable the local authorities to lay down a tael of the standard weight and purity at Peking, and, consequently, included a meltage fee, loss on melting, freight and cost of transmission, and general office expenses, that all that turned into cash meant, according to old-established custom, 12,000 cash for 4 taels, consequently

a receipt for 4 taels, the legal sum, was the only receipt they could give. In other words, the procedure simply amounted to this, that the cost of collection, as far as this particular collection was concerned, came to nearly 100 per cent, that is to say, they collected in all 7.50 taels, of which 3.50 taels were the cost of collecting 4 taels."

It is such a system that enriches the official and makes the people poor, and it has been going on for centuries, forcing the government to borrow money, when an honest system would pay all debts and leave a surplus.

But an example, from the same authority, relating to the land tax, especially, will better illustrate the system and prove the necessity for a radical change before China can hope to utilize even her present resources.

It is estimated that 200 cash a *mow* is a fair average of the land tax on good rice land, which would be equal to  $\frac{3}{4}$  tael an acre. If the area of the eighteen provinces be 1,300,000 square miles, and one half of it, 650,000 be taken as capable of producing good crops, there would be 400,000,000 of acres on which a land tax of 75 tael cents an acre could be levied without causing distress, and this would make a gross revenue of 300,000,000 taels. But if the peasant should be required to pay only

25 tael cents an acre the revenue would then amount to 70,000,000 taels, nearly three times as much as the government now receives; and there is little doubt that the peasants pay more than 25 tael cents an acre, leaving nearly 50,000,000 taels collected and unaccounted for by the provincial officials, with the countenance, perhaps, of higher officials elsewhere.

Another source of revenue is from taxes paid in grain, which is transported from the provinces to Peking; and the transport administration is one of the principal subordinate departments of the Government, maintaining an "army of officials and underlings" as do all the departments, and to the loss of the government. The cost of transportation is allowed to be 30 per cent extra and paid by the taxpayer in addition to the proper tax, but in reality it is over 100 per cent.

A careful estimate shows that the value of the grain remitted to Peking does not exceed 5,020,000 taels, and this amount includes the commutation money sent in lieu of grain, but that the amount collected from the taxpayer, and which reaches the hands of the provincial treasurer, is fully 6,562,000 taels. It is believed that a fair adjustment of the taxation in kind, and a proper collection and an honest return would more than double the amount now

received, and the taxpayers would not have to pay any more than they now pay.

A very important item of revenue is the salt tax. By treaty the importation of salt has been and is now prohibited, and the salt industry is exclusively a government monopoly. For administrative purposes there are seven salt circuits, each having its own source of production, and the boundary of each circuit is carefully defined. The salt produced in one circuit is not allowed to be sold or transported into another; it would be smuggling and subject the article to confiscation.

The general system of administration is explained by Jamieson: "The salt is produced in certain specific districts along the coast by evaporation or boiling from seawater, or it is obtained from brine found in wells and marshes in Szechuen and Shansi. There is no restriction in the amount or mode of production, but all the salt produced must be sold either to government officials, who establish depots for its storage, or else to licensed salt merchants, who have acquired by purchase the right to supply certain areas of consumption. The cost of production varies considerably. At some places, especially round the coast, where a supply is readily obtained by evaporation, the cost is very small. In the

province of Fukien for instance, at Changkow and Changtzin, which are large centers of production, the cost is said to be  $1\frac{1}{2}$  to 2 cash a catty (say 4*d.* per cwt.). In Chinkiang it costs 3 to 4 cash a catty, and at Taku, in the province of Chihli, it costs 1 to 2 cash. In the Huai district the cost appears to be considerably more, especially that portion produced by boiling, and which is of better quality. Here it is said to cost from 8 to 10 cash (say 0.65 taels per picul, or 1*s.* 7*d.* per cwt.)."

The retail price paid by the consumer will average from 25 cash to 60 cash a catty. The consumer buys from merchants licensed by the government, and the merchants are then privileged to sell anywhere within certain areas, or the salt is bought from the producer by the government, and the government then undertakes the transport and selling to wholesale licensed dealers, or the government sometimes undertakes the whole business and supplies the retail trader direct.

There is an estimate made of the quantity of salt likely to be annually consumed in each circuit and warrants are issued to cover the whole amount. These warrants, when once issued, may be used from year to year, and are handed down from father to son, or may

be transferred for value. It is known that a warrant of this character has been sold for as much as 12,000 taels.

"These warrants entitle the holder to buy at the government stores a specific amount of salt. It is not reckoned by the picul, but by a measure called the yin, which varies a good deal in the various circuits. In Huai-nan the yin represents 8 packages of 86 catties each, with a certain allowance for waste, which actually makes them weigh 94 catties. Each warrant entitles the holder to buy 500 yin. A warrant therefore covers 94 by 8 by 500 catties (3,760 piculs)." (Jamieson.)

There is nothing produced in China so guarded with official supervision as the salt production, and not a pound of this product is sold to the consumer that some official does not receive the purchase money, or that it does not pass the palm of some government agent. The industry is, in every sense, a government monopoly, and the consumer pays for it.

A Chinese merchant actually engaged in the salt business gives an example of the mode of working, and although the example refers to one area it is correctly illustrative: "Supposing," he says, "you wished to engage in the salt business, you must first get an

assignment of a warrant from one who wishes to sell. There are roughly one thousand warrants in circulation in the area, the present selling price being about 12,000 taels. Occasionally, but not often, new warrants are issued by the authorities. Such a proceeding is bitterly opposed by the old merchants as tending to reduce the value of their stock. Generally, therefore, the only way to get a share in the business is to buy a warrant from some one who is lucky enough to be in possession. Having got your warrant, you present it at the head salt office at Yangchow, and you are thereupon authorized to get delivery of 500 yin of salt from the government stores. The selling price is 1.20 taels per picul, but there are various squeezes to be paid, so it actually costs 1.60 taels. The cost of 500 yin or 688 catties (that is 8 bags of 86 catties each) at 1.60 taels per picul is 5,504 taels. You then transport your salt to whatever market you may select, say to the capital of Kiangsi province, where it awaits its turn for disposal. The selling price there is 3.20 taels per picul. An allowance for waste being granted the government stores, the yin will generally turn out 752 catties instead of 688. The total amount of the account of sales will thus be 500 yin or 752 piculs at 3.20 taels per picul

(12,032 taels). This he deducts from the account of sales, and then hands the balance, 7,784 taels, to the merchant, who, after deducting his original cost of 5,504 taels, is thus left with 2,280 taels as the profits on the transaction, less, of course, his outlay for freight, coolie hire, storage, etc. When trade is brisk and each warrant can be used once in twelve months or less, the profits are exceedingly good, running up from 20 to 25 per cent., but, of course, when the salt lies long unsold the profits rapidly sink. This is an additional reason for the merchants opposing the issue of new warrants. The more warrants there are afloat the longer it will take each individual to get one worked off."

The total revenue from salt is estimated to be 13,050,000 taels, and this sum would be probably increased, with no additional hardship to the consumer, if the government monopoly was utilized in practice to accord with the theory upon which the administration is supposed to be based.

The likin tax is a new fiscal regulation in comparison with the land, grain, and salt tax. It was not in force before as late as 1853, but the Taiping rebellion had so exhausted the treasury of China, that in 1861 the tax was made general throughout the Empire and



collected wherever the authority of the Central Government extended. It is as legal as any other form of taxation, being imposed by Imperial decree, but there is no form of taxation in China more embarrassing to internal commerce as well as obstructive to the sending of foreign importations to the interior markets.

Jamieson, who knows as much about Chinese taxation as any foreigner, explains the mode of collecting the likin tax: "An Imperial decree having been obtained authorizing the levy of likin, the provincial authorities proceed to establish a bureau presided over by one or more officers of high rank, and mark out all the places where subordinate stations are to be placed. At each of these wei-yen a small official is put in charge, who is responsible to the head office. The stations are placed at all the large towns and along the main routes, whether by land or water. The numbers and frequency depend on the amount of trade, and the extent to which it will stand the likin tax without being absolutely strangled. At some places, as along the lower parts of the Grand Canal, the barriers follow one another at intervals of 20 miles or so. In other places, where trade is scanty and the barriers can be turned by detours, there are

few, if any. A tariff is arranged and is supposed to be published for general information, either from the merchants or officials on this point. In point of fact, neither party seems to pay much attention to the authorized tariff. Nearly all the boats are passed by a system of bargaining, the officials ask so much, the merchant makes a bid, and they haggle until they come to terms. . . . Many regular traders commute for a lump sum either for the particular voyage or the particular trade."

The influence of the Guilds enters largely into arranging the likin charges, and the likin officials and the Guilds are on friendly terms and have an understanding beneficial to the possession of each.

The Piece Goods Guild at Shanghai is known to have commuted all likin charges on piece goods to Soochow for a number of years, and this arrangement has fostered into existence a monopoly that is fatal to piece goods dealers who are outside of the Guild.

The likin regulations now in force provide for two barriers, one the departure station and the other the inspection station, and "at the first the duties are arranged on a basis of a 3 per cent. levy at each of the first class, and at  $1\frac{1}{2}$  per cent. levy at each of the second, but now the tax has been increased to 3 per

cent. at each departure station and 2 per cent. at each inspection station. The stations are so arranged that goods, passing along any of the recognized lines of tariff, pass alternately a station of each kind, beginning with the departure station. On the majority of routes there occur four stations, two of each kind, but on several of the routes the last inspection station is omitted." When there are more than four stations on the route, along which the goods pass in any province, the likin within the province does not exceed 10 per cent. on their assessed value. All local industries are subject to the likin tax.

The amount of revenue yielded by this tax is estimated at 12,160,000 taels. The likin regulations are a serious hindrance to trade, and should be abolished, China being allowed<sup>1</sup> by the treaty powers to increase the tariff on imported goods, thus placing the subject under the control of the Maritime Customs.

The Imperial Maritime Customs, as stated, is more directly under the control of the Central Government than any of the other sources of revenue. It is true that the foreign Commissioner of Customs does not receive the duties paid at his port of entry, but the Commissioner must see that the duties are paid, and into some bank selected for the purpose,

and a receipt issued before the vessel is cleared. The banks selected to receive the duties are usually native banks, and these receivers make returns to the governor or viceroy of the province in which the port is situated, but the returns of the Commissioner are a sufficient check on the accounts of the native receivers, and the Commissioner publishes his returns every quarter.

It is estimated that the annual receipts from the Maritime Customs now amount to about 30,007,044 taels, and that about four-tenths of the sum is appropriated directly by the Central Government, and that from the remaining six-tenths there is first paid out for special indents in respect of the Central Government, or provincial subsidies, which are most specifically charged on the six-tenths; then there are the local cost of collection and numerous fixed allowances; then 15 per cent. is set apart for the expense of foreign legations, and the balance is apportioned from time to time between Imperial and provincial needs.

The organization of the Imperial Maritime Customs did not abolish the native custom houses. The Maritime Customs only take cognizance of cargoes carried in foreign bottoms, and whether the foreign built ships are owned

by foreigners or natives is immaterial. At the open ports, and at important places on the coast and inland, the Central Government has native custom houses, which control the trade in the native junks, and levy a duty not necessarily the same in average as the tariff of the Maritime Customs.

The annual revenue derived from the native customs is estimated not to exceed 4,230,000 taels, but it should be a great deal more. The number of the native custom houses and the evident volume of the internal traffic would warrant the conclusion that the Central Government should derive an amount of revenue from this source more than several times what it does derive. Like the likin stations, there is a leak in the native customs always open against the interest of the Central authority and those who pay the customs dues.

A subdivision of the approximate annual revenue of the Central Government is succinctly presented by the following table:—

	Taels.
Money land tax ... ..	32,000,000
Grain tax, value in money,	
commuted or not ... ..	7,540,000
Native Customs ... ..	4,230,000
Taxes of all kinds on Salt, direct	
or indirect ... ..	13,050,000

	Taels.
Foreign Customs Collectorate ...	30,007,044
Likin, excluding that on Salt and Opium ... ..	12,160,000
Taxes on Native Opium and Opium licences ... ..	2,830,000
Miscellaneous undefined taxes, licences, fees, etc. ... ..	2,165,000
Duties on reed flats ... ..	215,000
Rents on special tenures ...	690,000
Corvees and purveyances (roughly valued) ... ..	110,000
Sale of Offices and Titles ...	266,000
Subsidies from other provinces	9,282,000
Tea taxes ... ..	900,000
Fuel and grain taxes ... ..	110,000
Total ... Tls.	<u><u>115,555,044</u></u>

The above amount is small for an Empire so large in area and population, and with such varied natural resources, as the Chinese. Under any system of administration that was reasonably sensible and respectably honest in practice the amount really collected as taxes would, in a few years, relieve China of her indebtedness. At present the most valuable source of her revenue is mortgaged as a security for debts due foreign nations, which is in no

sense creditable to Chinese statesmanship or financial capacity, and the complaints that go out from China, that the people are oppressed by taxation to pay obligations due to foreigners, may be true complaints against the Chinese tax collector, but it would not be true if taxes were properly imposed and faithfully accounted for to the Central Government.

The companies which have been organized to develop the resources of China, by means of building railroads and the working of mines, will prove the agencies for adding to her wealth, but until the system of internal administration is entrusted to capable hands and administered, in practice as it appears in theory, China will not be prepared to fulfil her duty as one of the nations of the earth. With a soil and climate favorable to the production of all products known to commerce, the thoughtless conservatism, which has for so many centuries barred Asiatic progress, has ceased to be tolerable, and Western nations are fully within their rights in the decision, that China shall not withhold from the needs of mankind that which it is the duty of each nation to contribute. The world moves and a nation, as well as an individual, should keep step to the music of its progress.

LAWS-COURTS.

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About twenty centuries ago one Li Kuei undertook to codify the laws of China, and the result of his research and labor is forty volumes of laws, which are divided into four hundred and thirty-six sections. Each volume is devoted to a certain branch of the law and subdivided into appropriate divisions. It is a comprehensive collection, systematically arranged, and clear in statement and meaning. The whole is based on the Chinese classics, which are the source and foundation of all Chinese law, and the standard of all rights, and the degree of all punishments. They take the place of religion, model the form of government, and define and regulate authority.

The leading idea of the whole system is penal, and it inculcates the necessity for the strictest surveillance, and that an essential to safety is, that the family shall be responsible for the acts of each and every member. And thus the machinery of the government is held together by a system of espionage, and not by any great moral idea which persuades respect and obedience for law without being moved by



the fear of a penalty. And such a pervading idea may not be considered strange, when it is remembered that there is not a character or a word in the Chinese language which stands for liberty or means liberty.

In addition to the fifty-six censors, whose duty it is made to visit every part of the Empire and report on the conduct of officials, it is always doubtful how many more may be similarly employed, and, in consequence, suspicion and distrust often destroy confidence between neighbor and neighbor and sometimes divide the family or the clan into bitter feuds.

But the sanguinary feature of the code is the doctrine of family responsibility. It is of undoubted proof, that only a few years ago an entire family were exterminated, because of the misconduct of a member, and the cruel deed was perpetrated within the sight of flags which represented the cultivated and refined civilization of Western nations. The young and the old, whether male or female, are responsible for the civil or criminal acts of kindred, and the prejudiced eye and malicious motive of a neighbor can easily, in reporting, give to an innocent act the color of a grave offense.

It would reasonably seem that a code of laws, which enjoined such doctrines, would

soon become of no effect by its own cruel enactments, but in justice to China it should be stated, that after centuries of experience and trial it has proved effective as a preventive to crime and suitable to the habits of thought and customs of the Chinese race.

Because of the doctrine of family responsibility, the authority of the parent over the child is almost absolute, and this arises from the necessity of the case, for if the parent is to be held responsible for the acts of his child, it would be unjust to deny him the authority commensurate with his responsibility. It is the idea of parental and filial relation, which is so prominent in the classics, that introduces, not alone into the family, but into the structure of the government of China, its absolute and despotic element; and yet, at the same time, it introduces an important element of democracy.

The absolute supremacy of the Emperor is unquestioned, but the family, the village, the clan, the neighborhood, the guild, each and all exercise immense power and influence in the administration of the law. Each of these associations is organized and co-operate at times to settle disputes, and, if necessary, do impose fines, and have inflicted capital punishment. And there is another democratic element, which is composed of the gentry, who are influential

men on account of their age and wealth, and who command their position in society by an admitted natural right. Still further removed from the people, but also a bar to oppression, are those who are in possession of rank, though the influence of rank is measured by the merit that wins it, and those who purchase it do not exercise so great an influence as those on whom it is conferred by reason of their real merit. The family, the gentry, and those who enjoy special rank are elements of strength which no Emperor of China could prudently disregard, and when combined would materially shape and color the law and influence its administration.

As the pervading idea of the code is penal, it follows that there has been more time and talent given to the exposition of criminal than civil law, and it does not accord with Chinese characteristics, for no people surpass the Chinese in special aptness and inclination for mercantile pursuits. For centuries China was not only the Middle Kingdom, in the then geographical sense, but the reservoir of trade for contiguous nations, and it is unexplainable why there has not been an equally comprehensive and accurately defined code of laws on a subject more in harmony with their favorite pursuit and the genius of their nature.

In the Chinese code the principle of *caveat emptor* means practically what it does in American law. The inspection of a sample is final, and if the goods delivered are similar to the sample they are impliedly accepted with all faults. If the fault is one that could not reasonably be discovered the principle in Chinese law is not thereby affected. There is also a similar construction of the Statute of Frauds, as is given in American law; the contract for the sale of goods, however, although reduced to writing, is not, by the custom of Chinese, binding, unless earnest money has been paid. The idea is one of rest, and, like the Statute of Limitations, the practice is to consider the retention of the bargain money as a settlement of the transaction.

In a case which was heard in the British Supreme Court at Shanghai, China, in which a Chinese sued a foreign firm, a principle of the law of broker and principal was discussed, and the position of middleman, as understood by the Chinese, was set forth: "The case turned upon whether one Chu Quai was treated by the Chinese silkman as a principal or merely as a broker in the sale of certain silk, which the silkman entrusted to him, and which was bought from him as principal, as contended by the other side, and through him from the

Chinese, as maintained by the other. A Chinese witness, who had acted as silk dealer for many years, mentioned in evidence, as showing the Chinese custom, an instance in which he sold silk to a foreign firm who failed, and he stated that, on the foreign firm not paying, the silkman wanted him to pay and did not apply to the foreign firm, but took him before the Chinese authorities, who said that the silk had been delivered to him and should be paid for by him. He gave further evidence that it was customary for Chinese sellers to look, in the first instance, to the middleman, and that as long as they trusted him, the name of the principal did not appear, but, if they could not obtain payment from him, they then held to their right to fall back on the principal. It appeared, that in the case with regard to which the witness had been taken into the City, the silk had not in fact been delivered to him, but the authorities decided that he was responsible for seeing that the sellers were paid on account of the goods having been entrusted to him for sale. This statement was borne out by the general facts of the case in which it was made, and the ordinary course of dealing shows that the custom, as here set forth, is actually that which obtains among Chinese." In a similar case, if

both plaintiff and defendant are Chinese, the custom is cognisant to both parties, but when one of the parties to the suit is a foreigner the necessity for certain fundamental principles of law, to be fully understood as governing transactions between foreigners and Chinese, is specially emphasized. Now that the commercial relations between China and Western nations are extending geographically and in value, and consequently in complexity and intricacy, the interest of all concerned demands the recognition of a code of laws more in cognizance with the liberal spirit of modern commerce. The doctrine of mutual responsibility, which enters so potentially into every civil and criminal provision of Chinese law, never disputed the absolute binding force of a verbal guarantee, until an insight into foreign law was given by the administration of that law in the consular courts at the open ports of China, and in which foreign consular officials preside, by virtue of the treaties between China and Western nations; and the exceptions to verbal guarantees is becoming better understood and acceptable to Chinese reason.

In the formation of a partnership, and the fixing of responsibility, the law of China is not explicit. The custom is to select one man, not necessarily a partner, to represent the

partnership, and with whom all transactions are conducted, and the one, so selected and trusted, is primarily responsible, and expected to discharge the liabilities of the partnership and to undertake the collection and payment of its debts.

If there is a dormant partner the law does not hold such a partner liable, and no active member of the partnership can be made to pay more than proportionately to his share, either the whole amount owing, or, if so decided, a percentage of the amount, whatever it may be. If the man who is immediately or directly trusted, and known first to those who deal with the co-partnership, fails to pay the creditors, they reserve the right to proceed against the active members to the extent of the liability of each as indicated. In a partnership, where one of the active members absconds, the other members are required to deliver him up, but if he cannot be found his family may be held responsible; and herein is seen, as in all relations, the doctrine of family responsibility. When there are one or more sons, and there is property remaining, any one may be called upon to discharge the liability, or suffer attachment, if there is failure to discharge it. But there is a distinction when the brothers keep a separate household and when they live

together; in the former, the responsibility ceases and the law does not compel payment, though in the latter they are responsible and must pay. If the debt is of a personal character the surrender of the person relieves the family of further responsibility; but in debts to the government the property may still be confiscated in satisfaction.

While the principles of commercial law, which have been indicated, show serious defects in this branch of the law of China, there are still some which are recognized and rigidly enforced by custom. But commercial transactions give rise to so many different legal shades that general principles, however strongly grounded in law, rely for aid on the nice distinctions made by equity for a just application, and it is evident that there is a pressing necessity for a commercial code which the courts of China shall accept as applicable to all dealings between foreigners and Chinese. The want of such a *codé* has been long felt by the foreigners who have business relations with Chinese, and such a code as will leave no doubt as to the meaning of the law of the place where a contract is made, and the effect to be given to special agreements.

If the administration of the law by Chinese courts be examined it appears simple and



practical. Suits are commenced by a petition, in which the cause is stated, and there are certain days in every month for receiving petitions, but probably this is a rule with exceptions, though it shows regard for system. There being no professional lawyers in China, the petitions and other papers that may be necessary in the suit are prepared by a certain class who make it their business to prepare legal documents, and, while filling an important vocation, are looked upon with disfavor by the officials. The petition and other documents must bear the seal of the Tipao, who is an official of the lowest rank, but an important official, as in his person the official class seem to come in real contact with the people, being the small nerve from the government which is lost among the people.

The seal of the Tipao authenticates the party and offices testifying to his residence. When the petition has been properly stamped with the seal of the Tipao, it passes through several hands and is copied before it is presented to the magistrate; but there are certain cases when the petitioner is permitted to appeal directly to the magistrate by going to his office, or by handing him the petition as he passes through the street, a privilege, however, that is only indulged when the case is of a serious

criminal nature, for in common matters it would be a breach of law to thus approach or accost the magistrate. If the petitioner's interest will be better served by presenting the petition on a day other than the regular days, the payment of an extra charge will help along the progress of the document. If the petitioner is a woman, or a member of the gentry, the representation is by proxy, usually by a servant of the family, and sometimes by a paid agent, but if the case is lost the petitioner must appear in person. After the petition is examined by the magistrate, it is sent to a certain board of the magistracy and the defendant is summoned to appear. The petition is generally answered as soon as the defendant has notice of it, and the answer takes the same course as the petition. It is not customary for the defendant to appear; he is summoned to appear and the police are ordered to arrest and bring him into court, but if he pays a sum satisfactory to the police, as is sometimes done, they report he is not to be found. This custom is successful to a certain limit and is occasionally winked at as a perquisite of the office of a Chinese policeman.

In criminal cases, the criminal may be arrested and delivered to the magistrate by one of the gentry with the proofs of guilt or reasons for suspicion. When the commission of

a crime has been brought to the knowledge of the magistrate, and the criminal has escaped detection, the local officials are often held responsible, under a threat of degradation, if the criminal is not produced. If the crime is very serious, a large sum of money may prevent full investigation. The principal of mutual responsibility here appears in its barbarity: when a high official of a province once gave orders for the destruction of a whole village if a noted criminal was not delivered, the community or village being considered by custom as "cities of refuge" as well as accountable for the peaceful conduct of the members or inhabitants.

If the party arrested pleads "not guilty," he may be released on satisfactory bail, and, if the bail is given by one of the gentry, it argues favorably in behalf of the arrested party. If the offender is convicted of a serious offense, the one who stood his bail commits an offense by that act, and is responsible for the appearance of the offender in case of a fresh charge against him. But many cases, civil and criminal, are referred to the neighbors of the litigants or the accused, and when they are unable to finally adjust matters, or refuse to become bail, the case comes before the magistrate greatly prejudiced.

The material distinction between Chinese and Western criminal jurisprudence is seen in the trial of the accused. The great safeguard, that the accused is presumed innocent until proven guilty, is reversed in China, and he is supposed to be guilty. The parental theory follows him into court and denies him the right to counsel, as a parent would not admit an advocate for his son who had offended him. The trial is not to decide whether the accused is guilty or not, for his guilt is assumed, but to determine the nature of the crime and the degree of punishment to be inflicted; and as confession is necessary, in order to settle the case, if the accused will not confess, he may be tortured until he does, just as a parent, who assumes the guilt of a child, punishes it until it confesses.

The accused is brought into the court and made to kneel before the judge; he has no advocate to speak for him; on each side are the police with the instruments of torture, and the magistrate addresses him in a threatening tone; he is cross-questioned in accusing language, and the whole machinery of the court is in appearance most unfriendly. Confession is followed by punishment; if he does not confess there is the torture rack before him, and the magistrate can apply it within

his discretion. The policy is to discourage litigation by the severe aspect of the judicial machinery.

As to the practice of torture to extort confession, there can be no doubt, nor can there be any doubt that it is permitted by the code. The following provision from the code legalizes torture in China.

"It shall not, in any tribunal of government, be permitted to put the question by torture to those who belong to any of the eight privileged classes, in consideration of the respect due to their character; to those who have attained their seventieth year, in consideration of their advanced age; to those who have not exceeded their fifteenth year, out of indulgence to their tender youth; nor, lastly, to those who labor under a permanent disease or infirmity, out of consideration for their situation and sufferings. In all such cases the offense of the parties accused shall be determined on the evidence of facts and witnesses alone."

The exceptions in the provision quoted clearly establish the rule, and there is an Imperial edict which explicitly directs that "in cases where the use of torture is allowed, the offender, whenever he contumaciously refuses to confess the truth, shall forthwith be put to the question by torture, and it shall be lawful to

repeat the operation a second time if he still refuses to make a confession."

The confession, that torture is applied to extort, is such a confession that conforms to the facts as prejudged by the magistrate. These prejudged facts are accepted as true, and if the offender refuses to admit them as true, he is taken to the torture chamber and tortured until he does admit them. Torture is not now practiced as formerly; the injustice is being admitted and its abolition may soon follow.

The right of appeal is recognized. The appeal is from the lower to the higher courts, from district to department, and in order through the grades of provincial office up to the Governor-General or Viceroy, and thence to the Capital.

The punishments described in the code are of four kinds; (1) Beating with large and small bamboo; (2) Banishment, one having reference to time and the other to distance; (3) Strangling; (4) Decapitation.

The punishments are severe in infliction, and often in degree, comparative with the offense, but public opinion in China is educated to believe that severe punishment is a necessary preventive to crime, and even torture has not been condemned by public opinion. The immense population of China, and the absence

of a proper system of morals and religion, threaten the safety of society and leave it without those moral shields which are a better protection to life and property than the most sanguinary codes.

At the open ports of China, and contiguous thereto, the infliction of cruel punishments is not so frequent. It is clearly observable that the Chinese, who come in close and constant contact with foreign residents, appreciate the humanity and justice of Western laws more than their countrymen who do not enjoy such advantages, and regard the common law of England as the model of judicial excellence and fairness, and appeals to it are sometimes made by Chinese officials to solve questions that grow out of commercial intercourse with foreigners.

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NOTE.—At one time, if not to the same extent now, it appears from the sections of the penal code hereafter quoted, that slavery was general in various parts of China, and, it is stated upon high authority, was specially so in the Southern provinces.

Section 314 of the penal code decrees, that in case of theft or adultery committed by a slave, if the master or one of his near relatives secretly beats the slave to death, instead of informing the magistrate, this master or his relation shall be sentenced to receive one hundred blows. If the master of a slave, or the relation of a master in the first degree, intentionally kills this slave, or beats him to death; the slave not being guilty of any crime, the delinquent shall be punished with sixty blows and one year's banishment. The family of the slave killed have a right to be affranchised. A master

can beat his *hired* servant without being punished; but if he kills him he is punished by strangulation.

Section 322 relates to a master who strikes his late slave, and reciprocally. Both shall be punished as equals, the tie between them having been broken by the sale of the slave; but if the master has freed his slave, his right is not transferred to any other, and thus the sentence is pronounced as if the slave had not been set free.

Section 328 provides against abusive language from a slave or hired servant to his master or his relations. If the words are addressed to his master, the slave is punished with strangulation. If they are addressed to the relations of his master in the first degree, the slave receives fifty blows and two years banishment. In all cases the language must have been heard by the person so insulted, and such person must always complain of it publicly.

As evidence of the existence of the practice of infanticide to a serious extent at one time in China, Lieutenant-Governor Ke, of Canton, issued to the people of Canton, on February 19th, 1838, the following proclamation:—

"Whereas heaven and earth display their benevolent power in giving existence, and fathers and mothers exhibit their tender affection in loving their offspring; it is, therefore, incumbent on you, inhabitants of the land, to nurse and rear all your infants, whether male or female. On inquiry, I find that the drowning of females is quite common, and practised by both *rich* and *poor*. Had there been no mothers, whence would you have obtained your own bodies? If you had no wives, where will be your posterity? Reflect: consider what you are doing. The destruction of female infants is nothing less than the murder of human beings. That those who kill shall themselves be killed, is the sure retribution of omniscient Heaven. And you, elders and gentry, ought by exhortations and kindness to prevent the destruction of human life. Hereafter no clemency will be shown to such offenders: so give heed to these instructions."



MONEY.

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It appears to be quite authentic that there was paper money in China as early as the year 119 B.C., and that its character was impressed on pieces of skin or some kind of a paste-board about a foot square; but in A.D. 807, the currency was more regular, though copper was used for coining only, while for contributions, which were obliged to be made for the treasury, voluntary money was issued.

In A.D. 960, it is in evidence that there was some kind of a "sub-treasury" plan, such as the populist party in the United States advocated several years ago, for notes were issued on goods deposited in the public treasury, which were called 'accommodation paper. These notes were negotiable, and were imprinted on paper a foot square, with their current value and an official seal stamped on them. Subsequently, when the iron currency, which was in circulation, become inconvenient, it was replaced by a system of checks, and, about the tenth century, a system of banking was introduced, when bills of exchange were issued payable every three years. In the eleventh

century the public creditors were paid by notes of varying value, and, at the close of the century, it has been estimated that such notes were issued to the extent of 28,000,000 ounces of silver. As each province issued its own paper money there was, consequently, much confusion in business, and this custom, which permits a province to exercise privileges that should be the sole function of the Central Government, has too often embarrassed the trade of the Empire, and will continue to do so until the privileges of the provinces are very much abridged.

About A.D. 1256, paper money was issued by the Emperor Kublai Khan, Marco Polo describes it as having been made from the bark of a tree on the leaves of which the silkworm feeds. The bark was stripped from the tree and was soaked in water, after which it was put into a mortar and pounded into a pulpy consistence, and then made into a paper of a dark color, which was cut into oblong pieces of different sizes and of different values. The notes so issued were signed by special officers and stamped with the Emperor's seal, which gave value to them, and the penalty for forgery was death. This paper money circulated throughout the Empire; its purchasing power was sustained and extended by the authority of

the throne, and when such notes were damaged by use they were exchanged at designated places for new ones at a charge of three per cent. The holder could obtain gold or silver in exchange, provided it was for the purpose of having the bullion manufactured into ornaments. The soldiers of the Empire were paid in these notes.

During the Ming dynasty, Martin mentions a note which was issued bearing the following inscription:—"At the petition of the treasury, it is ordained that paper money thus marked with the Imperial seal of the Ming shall have currency, and be used in all respects as if it were copper money; whoever disobeys will have his head cut off."

When the Moguls were in power in China the Empire, figuratively, was flooded with paper money, and so valueless had it become that, at the time they were defeated and driven out, business was in a chaotic state.

But under the Ming dynasty paper money was revived, and notwithstanding the decree making it a capital offense not to receive it, and forbidding all traffic in gold or silver, the value of the paper notes steadily declined. In 1455, another effort was made to sustain the value of the notes by decreeing that all taxes should be paid in paper money, but it failed in the desired effect, and the notes ultimately

passed out of circulation, the people since refusing to trust the government with the issue of paper money.

And so it appears that a test was made, centuries ago in China, of the value of "fiat money," and that it signally failed. Having no substantial basis, such money could not fulfil any legitimate function in trade, as there could be no assurance of merited returns for honest industry.

If China has any national currency, the coin that represents it is known as the cash; and this is a circular coin, rather more than an inch in diameter, with a square hole in the middle for the convenience of stringing. It should consist of an alloy of copper, 50; zinc,  $41\frac{1}{2}$ ; lead,  $6\frac{1}{2}$ ; and tin, 2; or of equal parts of copper and zinc. Each piece should weigh 58 grains of troy, or 3.78 grammes; but these standards of composition and weight are not free from counterfeiting, and the cash in circulation would not generally measure up to them.

And so defective is the monetary system of China, that there is no uniformity in the value of cash. In some provinces a Mexican dollar will buy as many as 1,000 cash, and then often in an adjoining province it will not buy more than 800, while in another province the

same Mexican dollar will buy as many as 1,200 cash.

The value is not fixed by the intrinsic worth of its purchasing power in any market, but more by the locality and disposition of the buyer and seller. But for centuries the cash has been and is now the money of the Chinese and is used by them in nearly all retail transactions.

But in larger transactions the tael, about one ounce of silver, is the standard of value, and probably is the main standard by which the Chinese govern their business, but the tael also has a varying value according to locality, and at no treaty port of China, nor in hardly any province, is the value the same. The Imperial Maritime Customs of China has adopted the Haikuan tael for the payment of all customs duties, and by which to measure the value of all imports and exports. This Haikuan or Customs tael is supposed to weigh 581.77 grains of troy; its value, however, annually fluctuates, as in 1895 was 3s. 3 $\frac{3}{4}$ d., while in 1896 it was 3s. 4d., and therefore the receipts from the customs may be more apparent than real, emphasized by the fall in the price of silver since 1872 and the decline in exchange value. Large payments are frequently made in sycee, which is an ingot of silver of about the value

of ten taels, and known as a ping, while about fifty taels in value would be called a shoe, because of its resemblance to a Chinese shoe.

Now that the commercial treaties between China and many of the Western nations are being revised, with the view of facilitating commercial intercourse, it will be necessary for China to also revise her monetary system. So long as a Viceroy of one or more provinces can establish a mint and coin money there can be no uniform currency in the Empire, and trade will continue to be deprived of the one essential to its vitality. There can be no confidence in business enterprises when there is no fixed standard of value for the money in circulation, and the closer relations now being cultivated by the Chinese with Western merchants have at last awakened the Central Government of China to the important fact. An edict has recently been issued appointing commissioners to at once consider the ways and means of providing China with a uniform currency system, and this is a move in the direction of establishing a sound principle of business, for when this principle, always so vital to healthy trade, is made effective, it will point the way for the necessity of removing other barriers and hindrances to the proper development of the internal trade of the Empire.

There is a book written by a Chinese on the money that has been current at different times in China, which has been translated, and the author shall tell its history, but for a better understanding it must be remembered that a Chinese pound is twenty ounces:—

“Formerly gold and silver were current in China as well as copper, and some of the emperors permitted the use of foreign money throughout the Empire. There was also money made of tin, lead, iron, and even baked earth on which figures and characters were imprinted. After the reign of Han, a prince caused money to be made of sealed earth united with a strong glue, and taking it in his head to put down copper money he gathered as much as he could, buried it very deep in the earth, and killed the workmen who were employed about it, that none might know where it was hidden. Certain small shells have likewise served instead of small money, but not for any long time.

“As for the form of money, it has been different under different reigns. Copper has long been round with a square hole in the middle, edged with a border a little standing out. This hole was made that they might be strung and carried about ready told by thousands: every hundred is separated by a string twisted in the shape of a cutlass, another sort resembles

the back of a tortoise, another of the form that is seen engraved on plate, and was five inches long and pierced at the top. At one time there was a money called grandee's eyes, and when handled were in danger of being broken: they were so small that no less than ten thousand were required to buy a measure of rice sufficient for nourishing a man ten days, but they were soon laid aside because people would not have them.

"Stamps upon coin has no relation to the prince upon the throne, because it would be indecent and disrespectful that the image of the prince should constantly pass through the hands of merchants and the meanest of the people."

There are native banks in nearly every city, town, and village in the Empire, and such banks issue notes of their own which circulate in the respective localities and materially add to the circulating medium. In addition to the notes issued by the native banks, there are foreign banks at all the principal treaty or open ports, which are authorized by their charters to also issue notes, and, in addition, still, there is the Mexican silver dollar, which circulates in almost every province and is known in every mart of trade. The supply of money, such as it is, with its fluctuating value, is



sufficient to meet the ordinary demands of business, but what is most needed in China, for developing her internal resources and giving confidence and certainty to her trade, is a standard currency of uniform value throughout all the provinces of the Empire. The necessity for such a currency is constantly experienced in business transactions, and, without it, no business man, however farsighted and experienced, can intelligently forecast the trend of trade, accurately calculate results, or reasonably provide against losses. It is hoped that the Central Government intends to earnestly consider this important subject, and that foreign governments will appreciate the bearing it will have on foreign enterprises in China. by a judicious adjustment.

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#### SUGGESTIONS CONCERNING A UNIFORM CURRENCY.

BY SIR ROBERT HART, BART., INSPECTOR-GENERAL OF I. M. CUSTOMS,  
CHINA.

*Presented to the Waiwupu (Board of Foreign Affairs).*

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1.—While the various countries of the world possess a gold standard, China at the present day is still without it and yet continues the use of silver money. It is not because other countries have no silver money, but since gold began to have a steady value regulations were made for a fixed ratio between gold and silver. China not only has no gold currency but her silver money, even, has no uniform weight or appearance, nor has she a fixed ratio

of exchange between the two metals, so that, whenever there is need for gold it must be obtained at market rates. For this reason people in China labour under the difficulty of fluctuating rates of exchange at various hours of the day. Moreover, the silver dollars in use are limited in number, the balance of the currency being largely made up of silver ingots and lumps. These lumps and ingots of silver are merely so much silver in the mass, and in the barter for goods are much inferior to the silver dollar. During the past twenty to thirty years the output of silver mines has been exceedingly great, and much more than is needed for use by the various countries of the world, and it is increasing from year to year so that silver has become cheaper and cheaper, and the purchase price as compared with gold, gradually less and less. Hence it would be much wiser for China to maintain a gold standard instead of a silver one as at present, since silver has dropped down to such a degree, and moreover possesses no certain or uniform exchange, even within the limits of a single day. The hundreds of trades are all disastrously affected by the present state of the currency, while the Government, having to pay its foreign debts in gold, both country and people are being plunged into the depths of financial distress. The conditions pictured in the foregoing, therefore, compel one to seek some plan whereby they may be ameliorated, and so make it that China, while still using a silver currency, shall so fix a uniform exchange between silver and gold that there may be no danger of uncertain fluctuations. With this object in view I now proceed with my suggestions.

2.—If the Chinese Government possessed a large quantity of gold this metal might be struck into gold coins, and then a fixed exchange could be decided in their relation to silver money. This naturally would be an easy matter to put into force. But when we have no gold and only use a silver and copper currency, it becomes incumbent upon us to decide upon some method to bring about a fixed ratio of exchange between gold and silver. If it could be possible to do this by making only slight changes in the old methods of exchange, so much the better, as it would obviate the necessity of making the people suffer on both accounts. When there is no gold, and yet it is determined to maintain a fixed ratio of exchange between gold and silver, it is necessary to

create a silver currency of a uniform weight and fineness, and in quantities sufficient to meet the needs of the whole empire. To do this a Mint to strike these coins is of paramount importance and indispensable. The Central Government must establish a special Mint of its own which shall strike all the coins needed according to fixed regulations, and no branch mints must be permitted to be established elsewhere. As for the proposal to start a Government Bank, while there are, of course, certain benefits and financial advantages obtainable from such an institution, as a matter of fact such a Bank can have little to do with the making of a fixed ratio in the exchange of gold and silver.

3.—If it be decided to coin money to supply the currency needed for the whole empire it would be advisable to continue to retain the terms and weights of "tael," "mace," "candareen" and "li" (Laung, Ch'ien, Fên, Li) as the people are accustomed to their use. But in minting the uniform currency it will be necessary that it should not only be accepted at a fixed value throughout the Empire, but be also recognised and accepted at a fixed value in exchange for gold in the other countries of the world. This must be the main object in view and is of greater importance than that of being the accepted currency in our own Empire. Hence the "tael" must be made of such a weight as to correspond in value to a certain amount of silver, which should be decided afterwards, with the object of making it a recognised coin in other countries. It has been recommended by certain persons that in coining the new currency the American dollar should be made the standard, because the American dollar has already a recognised and fixed value in relation to gold in other countries. Others again have also recommended that the new silver currency be made each into a piece of coin one Kuping tael in weight, because the present market rate of gold exchange is eight Kuping taels for £1 gold. Either of the above suggestions is feasible, and in making the new currency it should be made into four kinds, namely, one-tael, five-mace, two-mace-and-a-half, and one-mace coins. Besides these silver coins there should be also struck two kinds of copper money, namely, ten-cash pieces and one-cash pieces (10 cash=one fên; one cash=one li). After the establishment of the Mint and the striking of coins of all kinds, it will then be time to decide

when the new currency shall be launched upon the country. No other coins should be permitted to circulate in the Empire after this.

4.—As soon as it has been decided what coins are to be struck, proper regulations should be made with regard to the mint to be established. If too many branch mints be allowed it is to be apprehended that the money struck may not be of uniform weight or fineness, and so confusion may be caused, such as is now prevalent in this Empire, and thus infinite trouble and obstruction to the reforms suggested may arise. The best way would be to select some central spot for the construction of one principal Mint which shall coin all the currency that may be needed by the provincial governments. With the exception of this principal Mint no other mints shall be allowed to be established. All the minting machinery now in use in the various provinces should be without reserve sent to the principal Mint in question so that there may be no waste of the money expended upon it. Besides the native workmen to be employed in this Mint there should also be engaged certain foreign experts, namely, one superintendent, one examiner of silver, one head machinist, and one accountant, each having his special department of work. The one-tael and five-mace silver coins that are to be struck should be made of nine-tenths silver and one-tenth copper; the two-mace-and-a-half and one-mace coins should be made of eight-tenths silver and two-tenths copper. The one-tenth and two-tenths silver balance thus obtained to be utilised as running expenses of the Mint. These coins being thus substantial no one will try to change them. When the Mint has been established it should first begin with the work of coining into money the silver ingots deposited in the provincial treasuries which should be all sent to the Mint to be turned into currency. Should silver bullion be brought to the Mint with the request that it be coined, the foreign examiner of silver should weigh it, and test its fineness. If these should prove satisfactory the money already coined by the Mint shall be paid out in exchange for the silver bullion. Furthermore, as to the question whether the Mint shall issue silver notes or prepare silver certificates against the amount of silver coins deposited in its vaults, this is a matter of much importance and requires deliberation and farther consultation.

5.—After the opening of the Mint, an Imperial decree should be issued prohibiting the circulation of any silver currency within the limits of the Empire other than that struck by the Imperial Mint. A certain limit of time must also be given for the stoppage of circulation, as money of the realm, of all silver sycee and silver ingots hitherto passing current as money, and granting permission to the possessors of such silver to take them to the Mint to exchange for the new currency according to weight of silver so brought. It should also be set forth by Imperial decree fixing the exchange value of the new currency, namely, how many taels shall be equivalent to £1 gold, and how many copper cash to the tael. With regard to the important question of making the new currency accepted in other countries the authorities of the Mint shall, after the issuance of an Imperial decree, appoint an officer to take charge of the duty of exchanging certificates issued by the Mint for gold. This officer shall be given a certain number of said certificates and shall be stationed either in China or abroad. Foreign merchants who have firms, business, or banks in China must use Chinese currency, and in order to obtain such currency are bound to apply to the above named officer for these Mint certificates. Moreover, in buying these certificates, the foreign merchants must pay in accordance with the fixed rate of gold for silver currency as determined by Imperial decree. After complying with these conditions, the foreign merchants may then exchange these certificates at the Mint for the new currency coined by it. The gold paid in exchange for the said Mint certificates may either be first deposited with the officer in question, or be used to pay the foreign gold debts due by China, or be struck into Chinese gold coins in the future. Due note should be made of the progress of the scheme for the guidance of all concerned in the future. By acting in the manner indicated above the new currency will be a *fait accompli* and have free circulation, and there will be a recognised fixed ratio in exchange between gold coins of foreign countries and the new silver currency, to the benefit of international trade. This is one way of obtaining a fixed rate of exchange between silver currency and gold which is only explained here in a general way, being too important a matter to be contained within the limits of these suggestions, and it will require careful and mature

consideration and consultation to avoid mistakes at the beginning of such a great enterprise.

6.—If it be indeed desired to obtain a fixed rate in the exchange of silver currency for gold, there seems to be no other way of doing so except the adoption of the foregoing suggestions. It will also be necessary to arrive at an understanding with the banks of other countries and work in conjunction with them; but these are matters requiring much deliberation and attention, and should be taken up as the occasion offers. As to the question of whether China should have a Government Bank, this is also a most important matter, although it will not affect very much the question of bringing about a fixed rate between the price of silver currency and gold. Therefore the starting of a Government Bank may be left to some later period after the establishment of the present all-important matter. It is not a question which must be started before it. However, the various Powers all have Government Banks and have obtained benefits from their establishment, especially Great Britain. When China therefore has reformed her fiscal system, then it will be of advantage to also establish a Government Bank. There are six objects in starting a Government Bank: (*a*) To assist the authorities to collect and take charge of revenue and keep account of it; (*b*) To enable the collector of revenues to keep account of monies disbursed, etc.; (*c*) To take charge of the National Debt and to pay off loans; (*d*) To take charge of monies deposited by the masses under the same terms and conditions as ordinary mercantile banks; (*e*) To do the same as other banks in investing government and private funds deposited with it; (*f*) To transmit for the government all funds needed in the provinces and that should be sent abroad. The above six clauses are the basis of a bank's existence. There is also a further important matter to consider in such an institution, and that is the necessity of appointing as few officials as possible to such a Bank in order not to interfere with the commercial nature of the place. Such a Bank having been established, it will have to work in conjunction with the Mint. The Mint may be even made a department of the Bank, if so it would perhaps greatly simplify matters. With regard to the establishment of branch offices or agencies of the Government Bank, they should be started as the need for them arises. Indeed, the

present Customs Bank in the outports or any substantial financial institution, may also be selected to take up the duties of such agencies in the usual manner like other Bank agencies.

The first and most important idea in these suggestions is of course the making of a fixed rate in the exchange of silver currency and gold. The next idea refers to the extension of the first, on the understanding that the first idea has been made a *fait accompli*. Should it be determined to put into practice these suggestions, there are yet details connected with them which may be entered upon as each question arises.

## BANKS.

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There is much authentic evidence that the Chinese understood and practiced a system of banking long before the inhabitants of Western nations had any very clear conception of the functions and conveniences of that branch of mercantile business. The rules regulating the banking system of the ancient Chinese were naturally primitive, but answered the ends of business as then conducted, though, in order to facilitate trade, the scope of the system has been enlarged, and, as at present known, has received the favorable comment of the banking experts of the West.

There is no law in China providing how banks shall be organized and incorporated, and there is a similar defect in the law as to associated companies. When those having capital desire to engage in banking they simply select the place, unite their capital in such sums as may be agreed, and they are then ready for business.

But there is the peculiarity in Eastern life that the occupation of the parent is invariably followed by the son, and so on from



generation to generation, and, in accordance with this peculiar custom, the banks in the large commercial circles are generally owned and managed by the inhabitants of the province of Shan-si, called Shan-si men, who have received their training from ancestral experience and teaching, and, like the great banking houses of America and Europe, they have the strength that comes from experience and prestige, and the confidence which is the attendant of success.

A general understanding of some of the leading rules which have been adopted by the Shan-si bankers, as the guide for transacting business, will not be without interest in giving an inner sight into the banking system of China.

The bankers, themselves, being Shan-si men, always aim to employ only natives of the province of Shan-si, and, when possible, select men of their own village. When a man is appointed to a post at one of the branch offices, his family is taken in charge by the bank and held as security for his fidelity and good behaviour. But it is understood that the family is not actually held in prison, though kept under the strictest surveillance. While at his post the employée is not permitted to write to any member of his family under seal, but all such letters must be open and sent

through his employer. No salary is paid, but all necessary expenses incurred on his behalf are actually kept and discharged by the bank. The term of the appointment is for three years, and after the expiration of that time the employée goes to his employer's house, taking with him an account of the money expended during the term, when he is closely searched, even to his clothing. After a full examination has been made, and the accounts found satisfactory, and the affairs of the bank have been prosperous during the three years, the reward is made remunerative, and the employée joins his family, who then no longer remain under surveillance. But in the event that the investigation, both of the accounts and the condition of the bank, prove unsatisfactory, the effects of the employée are seized and his family continue, as it were, in bondage, until a suitable fine is paid, or the employée may be imprisoned.

It is the means thus employed by the Shan-si bankers to secure their banks against losses by defalcations or otherwise that have entrenched them in public confidence, and they are often used by the Central Government as the medium for the transmission of revenue from the provinces; and their customers may be found among officials of the highest rank.

As an additional protection, the head managers of the banks associate together in a Guild, and, when the occasion demands, they formulate a line of policy to meet the particular emergency. The rules to govern in the general banking business relate to the subjects which enter into the daily operations, such as the rate of exchange, as regulated by the tables posted on the boards of the bank guilds, and the bank violating any of the rules is fined a certain sum. There is also a rule, that the books of a bank shall be carefully examined, and that the discovery of any underhand dealing, or any attempt to conceal a transaction, is punished with suspension.

Each bank issues its own bills, which are made payable to bearer, and customarily on demand, but sometimes are payable so many days after being issued. When a bill is presented, the holder has not the option to say what shall be given him as the equivalent, though his preference is generally respected; the bank can pay the bill in either cash, the current bills of another bank, or in silver or gold according to the current of exchange.

If the bill is not paid when presented the custom, in some places, permits the holder to seize anything in the bank about equal in value to the amount of the bill, and take it

away with him, without incurring the liability of being prosecuted for theft or misdemeanor. There have been instances, when there was suspicion that a bank might not be prepared to promptly pay its bills on presentation, of conspiracies on the part of certain holders of bills to present them at the same time, and regarding any hesitation to pay as a pretext for rifling the bank. There is an instance where the very timber of the building in which the bank conducted its business having been torn down and carried off because of a failure or hesitation to promptly honor its bills on presentation.

But such spoliation of a bank is seldom the act of the real holders of its bills; it is generally the act of the rabble and unemployed who are ever on the watch to make a living by violence rather than by industry, and to check the violation of law and order a certain Viceroy, when there was an unusual panic among bill holders, arranged to have the payment of bills refused by a bank, named for the purpose, and no sooner was payment refused than an attempt was made to rifle it. Those engaged in the attempt were arrested, and upon examination a large majority were found to be of the vagrant class; they were immediately decapitated in front of the bank building, and the example

was remembered and proved a wholesome preventive.

A precaution taken by a bank, when a run upon it is anticipated, is to post in a conspicuous place the words "will hereafter pay," which mean that all holding the bills of the bank are requested to present them for payment, and it also implies that the bank is desirous of closing its business and will not issue any more bills. When this precaution is not taken the influence of a high official intervenes, at the request of the bank, and closes its doors and gives the manager time to put the affairs of the bank in a better condition. But the large banks have their connections throughout the Empire, and there is generally an understanding to mutually assist each other in case of emergency, and the connection not only guards against sudden emergencies and money panics, but proves a great convenience in the transmission of money throughout the Empire, and to those who travel. There is no difficulty in getting letters of credit, and the system of remittance by draft is quite perfect.

As a preventive against the over-issue of bills by a bank, the clearance houses, which are in nearly every city, exercise a safe restraint in the knowledge they have of the business of the bank, and can quickly detect any evidence

of carelessness or of a disposition to venture beyond prudent limits.

The bills of the Chinese banks present a neat appearance and have various devices to prevent successful counterfeiting. The wealthy banks use solid blocks of brass for engraving purposes, while the poorer banks use blocks of wood, the value of a bill and date of issue are filled in with a pen, and one or more words to facilitate the detection of a counterfeit. Various stamps, large or small, round or square, or oblong, some of which are very curiously and elaborately engraved, are impressed on different parts of the bill, using red or black ink. The right hand margin is made an inch or more wider than the left hand margin, and the use made of the wider margin is the greatest security against counterfeiting, for on this wide margin are written various words, phrases, or sentences before the bill is cut out or trimmed and put into circulation, and these stamped or written sentences or phrases are cut through by a sharp knife, leaving the right hand margin about the same width as the left, though presenting a very different appearance. The slips of paper thus cut off from the right hand margin are kept by the bank for ready reference, and as the sentences have been cut into two parts,

part of the words and stamps will be on the bill and part on the slip of paper cut off, and these, by comparison, will prove the genuineness of the bill.

The bills of the banks, well known to trade for promptness and capability, have a wide circulation, but, as a general rule, the bills of a bank circulate in the city where the bank is located, and sometimes the circulation is limited to the street on which the bank is situated.

But if a native merchant in the interior wishes to buy a draft on a native bank at the open port of Shanghai, he would not employ a broker, but would inquire the price of such a draft of the different banks with which he had business relations. If the draft he wanted be for 100 taels, and at thirty days, he would have to pay, as an approximation, about 107-108, or 110 according to the state of the market. If the merchant should want an extension of credit at Shanghai, he would have to pay about 11 per cent. interest per annum, if money matters were easy, otherwise as much as 29 per cent. If the merchant has money on deposit at Shanghai, he would receive, when rates are low, interest at the rate of about 9 per cent., but if the rates were high, he would be paid as much as 27 per cent. per annum. The

term of payment and interest, however, are governed by the state of the money market and the financial standing of the merchant.

Although the Chinese may engage in banking business without obtaining the consent of the Central Government, it does not follow that the government remains indifferent to the conduct of those engaged in the business. There are, comparatively, few bank failures in China, and when a bank is compelled to close its doors the government institutes the most searching inquiry, and the most severe punishments are meted out to the managers. If the inquiry should disclose that the failure of the bank was caused by negligence, the immediately responsible parties are summarily decapitated, and their families are seized and imprisoned until all losses are paid; all their property being confiscated, and all relations of the family are forbidden ever to live again in the native town or village of the family.

It may be safely written, that the Chinese have a characteristic regard for promptness in business, and that they have the other characteristic of civilized men, the capacity for combining; they have great respect for authority, are law abiding, and have the habit of self control, all of which cause them to appreciate the advantages of business organiza-



tion. The Chinese are business men, and know that no business of a civic nature can be successfully conducted, or lead to satisfactory results, without order and respect for established customs. Merchants by nature, they, are consequently lovers of peace, and rightly believe that the surest foundation of successful business is an orderly state of society.

There are foreign banks at nearly every open port of China, and the facility and convenience given trade of every description by the native and foreign banks leave but little to be desired in the department of banking. Both the foreign and native merchants have only to exhibit the credentials which entitle them to confidence and the favor of the banks will generally be extended. But the inner Chinese system of banking must still remain in some parts a mystery, until foreign intercourse brings about a greater intimacy and opens the forbidden door. From what is known of this system it is accurately based and meets the necessities of native business. When funds are placed in a bank the depositor is furnished with a pass book, and whenever he draws for money he sends his book to the bank where the sum drawn is entered. If the book is lost there might be difficulty in recovering the money which had not been drawn for. None of

the persons employed in the banking business are responsible to or connected with the government.

Bills of exchange and promissory notes circulate; these are either payable at sight, or within a given period after sight, in which latter case they are regularly accepted; and, lastly, they are sometimes made payable at a fixed period. A certain sort of promissory note is used, which does not pass through the hands of more than three or four persons, all of whom are well acquainted with each other. In lieu of endorsing the original note, in the manner customary in Western nations, they attach a piece of paper to it, in which they assign the reason why it has been handed over to another person instead of the money; at maturity the holder does not apply for payment to the drawer, but to him from whom he received the note, and thus each endorser proceeds, until at last it reaches the drawer, or the three or four persons whose names are on the endorsement, including the actual holder of the bill, call together on the drawer for payment. This latter mode is considered the most simple and effectual.

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NOTE.—The number of banks of deposit and emission is large in proportion to the business of a town, but their capital averages only two or three thousand taels. . . . The check on over-issue

of notes lies in the control exercised by the clearing-house of every city, where the standing of each bank is known by its operations. . . . Proportionately few counterfeit notes are met with, owing more to the limited range of the bills, making it easy to ask the bank, which recognises its own paper by check tallies, of which the register contains two or three halves printed across the check book. When silver is presented for exchange, the bills are usually filled up and dated as the customer wishes while he waits for them, their worth depends on the exchange value between silver and cash, and as this fluctuates daily, the bills soon find their way home. (Williams.)

GUILDS.

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History records that the Greek had neither the Roman's conception for political unity nor the talent of the Carthaginian for commercial pursuits, and was as incapable of sinking his personality in the ranks of an organization as he was of devoting his energies to money-making. It may be written, that of the characteristics of the Chinese, there is not one which indicates an appreciation of the strength there is in political unity, although the Government of China is absolute in theory, but, in recognition of the advantages of commercial organization, no people have surpassed them. There is not a branch of mercantile business conducted by Chinese that is not organized in all the essentials of success, and there is no mercantile organization which exerts as much influence in the commercial affairs of the Empire as the guild. The influence of this organization is an evidence of the practical weakness of the Central Government of China, for history teaches, that when an organization of the industrial classes has such great scope for activity, in an empire or

monarchy, the central power is proportionately weakened; such was the case on the continent of Europe, for, when civil life was the strongest, the central government was the weakest, and in England, when, after the Norman Conquest, there had been a comparatively strong central government, the guilds found less scope in that way.

The date of the origin of mercantile guilds in China is not accurately known, but it counts back into the centuries. They were first organized at the metropolis by the mandarins and their compatriots or fellow provincials for mutual aid and protection, and, subsequently, guilds were organized in nearly all the provinces. As the principle of mutual aid and protection is the foundation, the guilds have been secured in the exercise of that function by the permission and approval of the local officials, which imparts to the organization a somewhat semi-official character. This official character is clearly seen in the custom that permits a guild to prosecute, in behalf of a member, any claim when there is satisfactory evidence of its equity, and when a member resorts to law for redress of a real grievance, and has not the means to vindicate his rights, the guild will address a joint petition to the court, and undertake to defray half the expenses from

its funds. But should it be afterwards discovered that the case has no merit, or that the trouble originated from gambling, or the leading of a dissolute life, the guild will not afford any assistance. If there should be a claim between members, which cannot be amicably adjusted, and litigation ensues, three-tenths of the cost will be borne by the guild and the balance by the litigants; but before legal proceedings are commenced there shall be a meeting of the members and unanimous approval obtained. The three-tenths, however, contributed from the general fund, shall be inclusive of the sum in litigation, and will only be given when the claim is insufficient to cover the cost of the proceedings; and when the amount of the claim is sufficient to liquidate the cost no grant from the general fund will be made, but this refusal is not with the view of saving expenditure, but with the object of preventing advantage being taken of the rule for gain and to repress the spirit of persistency in litigation between members.

But the local officials and the guilds do not always act in concert. There are instances when there has been a conflict, and the guilds oftener than otherwise have, in their appeals to the Central Government, succeeded in having the action of their opponents disapproved. The

prompt consideration given by the Central Government to petitions from the guilds encourages the local officials to cultivate an understanding that will promote harmony and concert of action.

The guild has its place for regular meetings, and the building is usually the most imposing and palatial of Chinese architecture. Not only is the building the head-quarters of the guild, but there are halls for theatrical performances, rooms provided for high officials when travelling, and also for scholars, and especially for the last, whose influence is ever great in whatever direction they may exercise it.

The officers of the guild consist of a general manager, a committee, and a secretary. The committee is elected annually, and is eligible for re-election. The secretary is invariably elected from the literary class, is a permanent salaried official, and the most important officer of the guild. The secretary has a quasi-official rank, by virtue of belonging to the literary class, and, therefore, the right to personally interview the local officials, and is the medium of intercourse for the guild in matters relating to its interest. The membership is limited to about thirty, a number which is considered not too large to insure an intelligent discussion of the subjects before it, and at the same time

a guarantee against long debates; and, to secure decorum and decision it is provided, that should there be anyone of higher ability than the rest, and with a plan of his own to propose, whatever his station may be, he must argue and explain it before all the members, but after a decision has been rendered there shall be no further discussion. There does not appear to be any written rules in the sense of parliamentary rules, but there are regulations tending to prevent useless and prolonged discussions, for such would impair the influence of the guild, which is sustained and strengthened by prompt decisions and prompt enforcements of the same.

Some of the guilds have a department and a special committee for each staple commodity, as well as sub-guilds in the several prefectures, while at the small ports the management is entrusted to the members in turn.

The source from which a guild derives the revenue that supports it is the self-imposed tax of its members. This tax is in the nature of an assessment on the commodities sold by the members, and which varies according to the exigencies of the situation. To make the assessment equitable there is a monthly examination of the books of the establishments



of the members made by the clerks of the various firms in rotation, and two are detailed every month for that purpose where the firms are numerous. There are guilds, however, which derive sufficient income from their own property, but the inquisitorial proceedings of examining the books of the merchant members is a part of the policy of the guilds, and the merchants voluntarily assent to it when they become members. In order to prevent undervaluation, it is the rule of some guilds that members, at the annual meetings, shall hand in duly sealed statements of their contributions for the year, and in proof of good faith, shall bow before the god of the guild temple. But if the statement should be confused, or called into question, there is a ballot taken to decide whether the member shall produce his books for examination by his co-members, and, if the statement is false, he is fined five times the sum due. When a member fails to produce his books or to pay the fine he is then expelled from the guild.

As the guilds have laws and regulations of their own, and are held together by the strong bond of mercantile interest, what is known of these laws and regulations warrants the inference that there is behind them some code of Chinese mercantile law that would be

interesting in comparison with the mercantile codes of other nations. Even the courts of China accept the rules of a guild as authoritative, and such rules are quoted and referred to in the courts as if statutory enactments, which proves again the potent influence of the custom of the business men of the Empire. And when a member appeals directly to the courts for redress, the guild will not use its influence in the adjustment of his complaint, nor will it, at any future time, entertain any petition from such member, but will dismiss it without a hearing and reprimand the offender. In disputes in regard to money matters between members, the disputes shall be submitted to arbitration at a meeting of the guild, where an effort will be made to settle it, but if unsuccessful, and only when unsuccessful, can an appeal be made to the authorities.

The jurisdiction of the guild is comprehensive, and extends to money matters and all other disputes between members. It also acts as an agent in the settlement of controversies between members and those who are not members; and should a member set at defiance any function claimed by the guild he is expelled, and all intercourse between an expelled member and another is interdicted under the penalty of a fine of one hundred dollars against the latter.

No member shall have any relation whatever, and on no consideration confer, with an expelled member, either from sympathy or friendship, and there is no "boycotting" as exclusive and sweeping as the Chinese enforce.

The regulations referred to are of a general character, and indicate more the judicial functions which custom and official sanction have justified the guilds in assuming and exercising, but the rules on credit, storage, commission, weights and measures, tax, fire, loss, and fictitious selling and buying are carefully prepared as well in scope as in detail. Every probable contingency appears to have been considered and provided against, and mercantile acuteness is evinced in both the breadth and minuteness of the rules.

It may be observed, that the disposition to anticipate the scarcity of a commodity, or a rise or fall in prices, and, in consequence, to take advantage thereof, is as natural to the merchants of China as to the merchants of any other country, and the buying and selling on future delivery, when there is nothing substantial in possession or in sight, was practiced in China long before it was in the commercial exchanges of Western nations. The complaints against the practice were of the same nature and with the same reasons which are now

being urged by the advocates of keeping business separate from speculative influences and holding mercantile transactions to legitimate lines.

As the trade relations between China and Western nations are annually increasing in importance and value, the inner constitution of the guild ought to be the subject of diligent inquiry, for a full knowledge of organizations that have such influence on the internal trade of the Empire must be essentially requisite to success, as the power of the guilds to favorably or unfavorably develop the trade of China is undeniable; and an example of that power was given in the case of the riot at Shanghai in 1898, which was caused in the following way: It is the custom that when a Chinese, who hails from Ningpo, dies at Shanghai, his body is placed in a coffin and stored away until the opportunity offers to send it to Ningpo, and the subject is one that comes within the function of the Ningpo guild. There were a great many coffins containing dead bodies so stored in the French Concession at Shanghai, and the French Municipal Council had ordered the removal of the dead bodies, in the interest of health and the convenience of the public, but the Ningpo guild signified its purpose to resist the removal. The French Municipal

authority persisted, and a riot occurred in which several Chinese were shot by the French police and volunteer force. It was then that the Ningpo guild issued a secret order for the suspension of all business, which resulted in several large steamships remaining at their wharves and the loss of much money. And so long as the guild remained firm, every branch of business which drew its vitality from that source was paralyzed. There was finally some kind of a compromise by which business resumed its usual channel, but the instance illustrates the rule.

It is not too positive to write, that it is within the power of the guilds to interfere with commercial intercourse in China, to seriously impair the commercial relations of Western nations with China, and to comparatively drive from the trade marts of the Empire the foreign products now sold in those marts, or to make the demand for them so unremunerative as to partially destroy importation, while the Central Government, if it had the inclination or the means, would scarcely have the courage to remove the organized obstruction or to punish the obstructors.

The trade union is of more recent origin than the guild. It is modelled after the guild, but is mostly composed of retail dealers.

The regulations are usually printed on red paper and posted in the stores or workshops, and these regulations have reference to and regulate all the different trades that may be followed. There is a regulation about weights, the manifest of a cargo, the tariff of charges, and the prohibition against purchasing a cargo which had not been passed by the trade union. There are separate trade unions for blacksmiths, carpenters, wire-drawers, silk-weavers, millers, postal companies, and barbers, and each vocation has rules suitable and peculiar to it.

The members of the trade unions also have their places for meeting to consider the condition of their respective trades, and to discuss the ways and means to protect and promote them. The number of hours for work is not modern, but old in China, and a subject which receives the careful attention of the union. Whatever subjects come within the scope of the union are quietly considered and the decision is as quietly adhered to, and society is seldom threatened with violence or disturbance, but the members accomplish their object by the closeness of organization and through peaceful agencies.

In this connection it will be relevant briefly to refer to another Chinese institution, which has been fostered into existence by the wants

and necessities of the poor classes who are unable to avail themselves of the conveniences afforded by the banks and money-lenders, and this is the pawn-shop. It would be almost impossible for many worthy Chinese to support their families and cultivate their little farms without the assistance of the pawn-shops. In nearly every village and town there are pawn-shops, and during the spring and summer months the Chinese pawn their winter clothing for the ready money needed in their homes and fields. When the crops are harvested, the part not necessary for family consumption is sold, and the proceeds applied to redeem the winter clothing, or if there has not been a good crop made, the spring and summer clothing, and other articles not specially needed, are pawned, and thus it goes on from season to season.

So important a place has the pawn-shop, in the economy of the life of a Chinese laborer, that the Central Government takes cognizance by granting it a license, and holds those that are private and unlicensed to be illegal.

To successfully fulfil its functions, a pawn-shop should have a large capital, as the usual time for keeping the article pawned before selling it is three years. If the article is of

a perishable nature there is generally a special agreement, but special agreements are not favorably viewed, because the three years' rule is not to be violated without the best reason.

The buildings are necessarily large, and the interest charged of necessity varies according to the nature of the article pawned. But the rate is not optional with the parties: it is regulated by law, and no claim for interest in excess of the principal will be enforced.

A character peculiar to mercantile life among the Chinese, and who, in many respects is an advertising medium, is the character known as the middleman or the go-between. He is mostly connected with importers, wholesale dealers, and owners of houses and land, and should be familiar with the markets of such, and competent and prepared to give accurate accounts of what is going on therein. The compensation of the middleman is a certain per cent. fixed by custom, on sales or rentals made through his agency or medium. His place in Chinese business has been indispensable and will probably so remain until shaken by newspapers and prices current, though it will be a long time before the merchants of China adopt such mediums for advertising.

Another character unknown to Western mercantile life is the compradore. He is



supposed to be the servant of the business house employing him, and his primary duty is to learn and report to his employer the commercial rating of all Chinese who would establish business relations with the house represented by him. When business relations are established the compradore is the guarantee for the accounts of all Chinese whom he recommends to his employer as reliable in business. It is the custom to require the compradore to execute a bond conditioned for loyalty and faithful performance of his duties as compradore, and if he proves loyal and faithful he then fills a very important office in the mercantile life of China, but, when a rascal, his office can be perverted to entail losses which cannot be seen in time to be averted. And the opportunities of a compradore are such as to show how important it is for foreign merchants to understand the language of China, a neglect the merchants of the United States have taken special care it seems to cultivate, for there are but very few young Americans in China preparing themselves to undertake the business which must, ere long, be left to some one by the present heads of the established houses now under the superintendency of Americans.

The outline herein given of commercially organized China must convince, that to deal

successfully with the Chinese one should understand their inner mercantile life and have some knowledge of the influences that move and regulate it.

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NOTE.—In one of the Swatow Imperial Maritime Customs Commissioner's Decennial Reports the following appears with reference to Trades Guilds. The Commissioner reports:—

“These institutions seem to be a material manifestation of a local characteristic of the people, for not only do merchants combine for trade purposes, but the labouring classes, whatever their employment, all band together on the slightest pretext, whether their object is to obtain wages, or to secure the dismissal of an outsider. It is recognised throughout the Empire that in their remarkable faculty for combination, and the rigid obstinacy with which they maintain a position once taken up, the people of Swatow are equalled by none of their fellow-countrymen. In addition to the ordinary expenses, the guild has to spend a good deal in making presents to officials, giving theatrical performances in their honour, and showing them respect in various other ways. The income out of which all these payments are made, amounting to several thousand dollars in a year, is derived from a tax on merchandise, entrance and clearance fees from merchant vessels, and the rents of property owned by the guild. So far as I can gather, the guild's methods of working seem to be as follows:—Whenever a question crops up affecting any particular trade, the heads of the principal firms engaged in it first come to some agreement amongst themselves, then talk over the lesser firms, until they have gained a sufficient following; and only call a meeting of members to adopt what they have agreed upon as a rule of the guild. Nothing seems to be left to a vote in open meeting; if the dissentients are strong, the matter never comes before a meeting at all. Frequently the guild does not wish its action to be visible and then no laws are committed

to writing, but a general understanding is arrived at, which seems to be just as binding as a formal utterance. In this way, most likely, they masked their resistance to the imposition of extra provincial likin—the Battery Tax—in 1890, when no dealer [in the taxed articles dared to come to any arrangement with the collectors sent up from Canton, who were unable even to rent a place in which to establish themselves, so that eventually all attempts to force payment had to be given up. By the guild's decrees steamer companies are forced to pay claims for damaged uninsured cargo, which they feel to be unjust. If they demur, no case comes up for trial: the loss of their carrying trade is the penalty that quickly makes the objectionable demands seem reasonable. In 1881, some Swatow merchants were heavily fined for disregarding a Customs rule affecting the examination of cargo. The guild took the matter up with spirit, and an anonymous note called upon merchants to cease all import and export trade unless their demands were complied with. In that particular instance the guild was unable to gain the point for which it was [fighting, but the trade was kept completely at a standstill for fifteen days, pending its decision to submit. The guild concerns itself with the commercial interests, individual and collective, of its members; settles trade disputes; enacts trade regulations; and performs, with equal readiness, the functions of a Chamber of Commerce, a Board of Trade, and a Municipal Council. It supports a fire brigade, levies its own taxes, provides standards of weights and measures, fixes rates of commission, determines settling days, provides penalties against the tricks of trade, and acts generally as the guardian of its adherents, and the terror of all with whom they do business. It possesses a power to enforce its views which might be envied by many a government, for in it is vested the sole right to the exercise of that mighty engine, that stalwart crusher of arguments, to which an episode of modern Irish history has given the name of boycotting.”

IMPERIAL HOUSEHOLD.

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As the family unit is the central idea of the Chinese administrative system, the family life is the key to the moral character of the people; and, as in a despotic government, the will of the Emperor is law, his acts are also the examples which influence his subjects. Public opinion in China is influential, but it is by permission and not by right.

In a republican form of government the people make the laws and influence the course of events, but in a despotic form like China, the people, in theory, have no authority, and the toleration of customs and laws which do not refine their character rest with the Emperor, who has the absolute authority. "The people exhibit rather the fault of those who reign than those who suffer."

The influence which inculcates morality and refines character is strongest in the domestic circle, and to learn how morality is appreciated by any people one must study the customs and laws which regulate their marriages and govern their family life.

The wife of the Emperor is selected from

certain families of the Imperial clan, but in making the selection the parties that should be primarily interested are not the principal ones. The choice and all the details are made and arranged by special friends, and neither the heart of the bride nor of the bridegroom is consulted; if the marriage is afterwards sanctioned and brightened by mutual love it is the happy result of the unfeeling act that brought it about.

The Emperor has but one Empress, she is the only wife, but he has seven legalized concubines, and the child of either may dispute the succession to the throne. Should the Empress fail of offspring, or should she not, the right of the Emperor to select his successor encourages intrigue and the use of influences destructive of happiness and confidence. True, all females in the palace are under the direction of the Empress, but nominally only, and the law that fills a palace or a home with concubines hardly favors morality or happiness.

And when every three years the daughters of a certain class of high officials are passed in review before the Emperor, that he may choose those that please him to replenish his harem, and when a father considers it an advantage to the family to have a daughter in the harem, as a back-stair means of rising to

influence, there need not be any difficulty in finding the key to the cause which assigns to woman the unmerited position she occupies in Chinese society.

Custom precedes law, and beyond the memory of man, concubinage in China has had the approval of custom; there has been no law against it, but on the contrary the immorality is perpetuated under the sanction of law; what custom has failed to do to demoralize family life the law has supplied.

But it should be noted, in favor of the later Emperors of China, that an Emperor is allowed but one wife, one Empress, while in earlier times the Emperor was allowed four Empresses.

In the description given of Kublai Khan, Marco Polo states the number of his legal wives as four, bearing equally the title of Empress, with separate palaces, and each no fewer than three hundred young female attendants of great beauty, together with a multitude of youths as pages; and that, besides the four Empresses, there were selected for him any number of concubines desired from the handsomest women of his dominion, and that the fathers regarded it as a favor and honor done them.

In addition to filling his palace with as

many concubines as he wants, the Emperor is allowed three thousand eunuchs, supposed to perform the work of the household, and his sons, grandsons, and Imperial sons-in-law are each also allowed a certain number according to their respective ranks, and custom requires that such appurtenances of rank shall be maintained.

There can be no enlightened progress in any country where fathers sacrifice their daughters to gain official preferment, or where custom honors the family whose daughter is selected for a harem. There may be intellectual progress, but when the mind is not lighted by the appreciation of female character it fails in the work of civilization.

Some of the Emperors of China, despite their surroundings, have given proofs of greatness, but to live surrounded by harems of beautiful women, and guards of sexless men, encourages the intrigues which demoralize social and official life, and which have given China a long list of Emperors too feeble to grasp the true destiny of an Empire possessing the reserve forces that only need proper direction to bring wealth and renown in return.

It then appears, that the family life of the Emperor could not well encourage the virtues and affections which alone can make that life

happy and a worthy example for his subjects. Although removed and exclusive, the life in the palace is known to the Chinese, who model their family life after it, and plead it as a defense against criticism.

The internal arrangements of the Emperor's court are modelled after a miniature state, there being seven departments, each department having certain functions of duty and jurisdiction over those connected with the palace.

From the Emperor it is but a step to the Imperial clansmen and nobility, and these are influential in the government and the support of the throne.

The reigning dynasty is not native to China. It was founded in A.D. 1583-1615 by Hien Tsu, a Manchu, and all included in the Imperial clan are his descendants or connections. There is a clansmen's court which controls the Imperial clan and regulates whatever belongs to the government of the Emperor's kingdom.

The kindred of the Emperor are divided into two branches; the direct, comprising the lineal descendants; and the collateral, including children of uncles and brothers, the distinguishing mark being a yellow girdle for the Imperial house, and a red girdle for the collateral. The collateral branch is called the Gioro line, represented by the chiefs of the eight Manchu



families who aided in settling the crown in that line, and are hereditary princes, collectively called Princes of the Iron Crown.

The titular nobility is not founded upon landed estate, or the ownership of land, and the title does not confer any power, but it is more an ornament to please and gratify vanity.

There are twelve orders of nobility which are conferred solely on members of the Imperial house and clan. It was the custom at one time for the nobility to reside away from the capital, and, to curtail their influence, they were paid certain salaries at certain periods, and were restricted from engaging in any business, but the custom is no longer enforced. The government of the province of Manchuria is chiefly confided to the nobility.

But there are some ancient orders of nobility which are highly prized as the marks of honor, because conferred without distinction on Manchu, Mongol, and Chinese, civil and military, and as a recognition of merit.

There are only two perpetual titles of nobility, and these belong to the direct descendants of Confucius, and of Koreinga; that of Confucius is called the "Ever Sacred Duke," and that of Koreinga, the "Sea Quelling Duke."

Confucius owes his title to his writings,

which have instructed and influenced a greater number of minds than the writings of any other man. They have stood the test of centuries and are to-day the basis of Chinese law and the classic of Chinese scholars.

The effort of Koreinga to save China from wearing the yoke of a conqueror won for his descendants the honor they enjoy. When the native dynasty was overthrown in 1643, by the Manchu invaders, Koreinga refused to acknowledge the conqueror, sailed away to Formosa, drove the Dutch from the island, and made himself master of it.

The recognition of the learning of the scholar, and the loyal valor of the warrior, by perpetuating both alike on the roll of honor, is a bright page in China's history; and when it is remembered that a Manchu has occupied the throne of China for centuries, and that it was against the Manchu that Koreinga opposed all that loyalty and valor could do, the impartiality is manifest, an impartiality which has been often practised, and which has ingratiated and strengthened the rule of the Manchu in China.

If one could turn from such justice to learning and valor to equal justice to woman and virtue, there would be other bright pages, but a closer examination of the family law of

the Chinese will show the defect in the social structure and, consequently, the weakness of the national fabric.

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NOTE.—The constitution of the household of the Emperor Kublai Khan is thus described by Marco Polo:—"He has four wives, whom he retains permanently as his legitimate consorts; and the eldest of his sons by those four wives ought by rights to be emperor; I mean, when his father dies. Those four ladies are called empresses, but each is distinguished also by her proper name, and each of them has a special court of her own, very grand and ample; no one of them having fewer than 300 fair and charming damsels. They have also many pages and eunuchs, and a number of other attendants of both sexes; so that each of these ladies has not less than 10,000 persons attached to her court. When the emperor desires the society of one of these four consorts, he will sometimes send for the lady to his apartment and sometimes visit her at her own. He has also a great number of concubines, and I will tell you how he obtains them. You must know that there is a tribe of Tartars called Ungrat, who are noted for their beauty. Now every year an hundred of the most beautiful maidens of this tribe are sent to the Great Khan, who commits them to the charge of certain elderly ladies dwelling in his palace. And these old ladies make the girls sleep with them, in order to ascertain if they have sweet breath (and do not snore), and are sound in all their limbs. Then such of them as are of approved beauty, and are good and sound in all respects, are appointed to attend on the emperor by turns. Thus six of these damsels take their turn for three days and nights, and wait on him when he is in his chamber and when he is in his bed, to serve him in any way, and to be entirely at his orders. At the end of the three days and nights they are relieved by other six. And so throughout the year there are reliefs of maidens by six and six, changing every three days and nights."

Ungrat, I doubt not, represents the great Mogul tribe of Kungurat, which gave more wives than any other to the house of Chinghiz; a conclusion in which I find I have been anticipated by De Mailla. The seat of the Kungurats was near the Great Wall. Their name is still applied to one of the tribes of the Uzbeks of Western Turkestan, whose body appears to have been made up of many of the Turks and Mongol tribes. (Yule.)

The Ramusian version adds here these curious and apparently genuine particulars:—"The Great Khan sends his commissioners to the Province to select four or five hundred, or whatever number may be ordered, of the most beautiful young women, according to the scale of beauty enjoined upon them. And they set a value upon the comparative beauty in this way. The commissioners on arriving assemble all the girls of the province in the presence of appraisers appointed for the purpose, these carefully survey the points of each girl in succession, as, for example, her hair, her complexion, eyebrows, mouth, lips, and the proportion of her limbs, they will then set down some as estimated at 16 carats, some at 17, 18, 20, or more or less according to the sum of the beauties or defects of each. And whatever standard the Great Khan may have fixed for those that are to be brought to him, whether it be 20 or 21 carats, the commissioners select the required number from those who have attained that standard, and bring them to him. And when they reach his presence he has them appraised anew by other parties, and has a selection made of thirty or forty of those who then get the highest valuation."

It appears that a like system of selection was continued by the Ming, and that some such selection from the daughters of Manchu nobles has been continued till recent times. (Yule.)

FAMILY LAW.

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The practice among savages of marrying out of the tribe is a reason for the opinion that communion with woman in prehistoric times had to be conquered, and the later custom, that marriage should be in the tribe, was a transition towards marriage by contract.

Some writers maintain that previous to 1122 B.C. a general laxity of morals prevailed among the Chinese, but there are others as earnest in maintaining that their ancient home life was moral and happy. However this may have been, there is not in the present family law of the Chinese the satisfactory proofs that it was founded upon customs inculcating the higher precepts of morality.

The law that denies to the parties most interested the right to negotiate and conclude the most important contract of life is, in itself, destructive to happiness and morality; and when the same law that does not allow a man to select his own wife, allows him to choose his concubines, and choose them from the lowest ranks, there is no principle of morality and decency which is not deliberately undermined.

Nor is the 'situation of the wife relieved by the fact that the concubines are subject to her authority, for the husband may, for sufficient reason, degrade his wife to the level of a concubine; and there is the unnatural provision that the children of concubines are considered the children of the wife, turning their backs upon their own mothers to honor the wife, in preference, with their affections and obedience, and to mourn for her when dead instead of their own mothers.

The doctrine of ancestral worship is the basis of the custom and law of concubinage and adoption, and there are no people who cherish the doctrine with greater zeal and devotion than the Chinese.

The living of China are in absolute subjection to the dead of China, for it is a reproach to any Chinese family not to have a son to worship at the ancestral altar, which is the *sanctum sanctorum* of every household.

A law that introduces the elements of demoralization and unhappiness into a household, in order to make sure of a worshipper at the ancestral altar, robs the example of filial piety of its beauty and inspiration.

The members of a Chinese family are those who live as members of the same household, and this includes all who enter by marriage or

adoption, as well as slaves and servants. There are within the family four degrees of relationship, "which are according to proximity of descent, without distinguishing thereby between consanguinity."

There is no law prescribing the age prerequisite for concluding marriage, but custom has named the age of twenty for males and fifteen for females, and recommends suitability of ages in that young girls should not marry old men. If not mentioned in the marriage contract, the non-attainment of puberty, insanity, deafness, and dumbness would be impediments. Eunuchs are not allowed to marry, though a eunuch who had children before his mutilation may visit his family, and some eunuchs, through influence and intrigue, have formally married and adopted sons as their successors.

"Those of agnatic relationship are prohibited from marrying, and the prohibition applies to cognates of the generation above and below, but a cognate may marry of the same generation not being agnate. No relationship is recognised between the husband and his wife's sister, and none between the relatives of the husband and those of the wife." (Möllendorff.)

Relationship is determined by the family name, and those bearing the same family name do not marry. Of the 350,000,000 of China,

it is estimated that there are about 438 family names, a fact in evidence of a sweeping prohibition. At one time those composing whole communities had the same surname, and if a man wanted a wife he was compelled to undertake a long and often expensive journey for the purpose. But if the surname has two distinct origins, and the line of ancestry can be traced from separate stocks, the prohibition is removed. There are, however, families of the same ancestry who have branched off under separate names, though they do not intermarry. In such cases there was made a distinction in the designation of the families, the one being called the military family and the other the family of the people, thus permitting intermarriage, although the surname was the same.

Impediments on account of affinity prohibit marriage "with sisters of the wives of ascendants or descendants, with father's or mother's sister-in-law, or with the sister of the son-in-law. Marriage is also forbidden with the step-daughter and with female relations within the fourth degree of relationship, with a widow of a relative of the fourth degree, or with the sister of the widowed daughter-in-law. Marriages with widows of a nearer degree are considered incestuous, and decapitation is the punishment of marriage with the father's or



grandfather's former wife, or with sisters of the father, and whoever marries his brother's widow is strangled." (Möllendorff.)

The marriage laws of many ancient nations permitted a widow to marry her deceased husband's brother, provided she was childless, and such was the law among the Jews before Moses, but in China it is prohibited, though it is stated that the Mohammedans in Peking and the Chinese in the district of Huai-an, in the province of Kiangsu, practise it. In Deuteronomy, Chap. XXV, the marriage was permitted to perpetuate the name and keep the property of the family, but in China the law of adoption gives the head of the family the right to adopt an heir.

The period of mourning for a deceased kinsman is so accurately defined, and the ceremony so particularly described, that no Chinese would fail to observe it. This duty to ancestral memory is so seriously regarded by custom and law that a marriage during the legal time of mourning is prohibited, but an exception is made in favor of a marriage with concubines, and which is not punished "unless either the bride or bridegroom is in mourning for a parent, or the bride for her late husband, even if the marriage had never been consummated. It is considered to be a time

of mourning for children or grandchildren if father or mother or grandparent be in prison for a capital offence.

"If a woman be seduced, the seducer is prohibited from marrying her, and marriage is forbidden with a woman who has committed a crime and fled for fear of punishment. Whoever forces the wife or daughter of a free man to marry either with himself or with a son, grandson, younger brother, or nephew is to be strangled." (Möllendorff.)

The principle of the Roman law, which prohibited a guardian from marrying his ward, or a tutor from marrying his pupil, applies in China in the relation of tutor and pupil, pronouncing such a marriage illegal and incestuous, but the guardian is always a relation and the law contemplates that a child can never be without a relation to guard his interest.

If a widow remarries, the children by the first husband come under the power of the second, but, if with consent, a son of the first husband should return to his father's family, it then becomes necessary for him to have a guardian;—"it is an orphan returning to his ancestral family."

But it is not the custom in China for a widow to re-marry. The maxim is: "once mated with her husband, all her life she will

not change, and hence, when the husband dies, she will not marry again." There is no reason for such a custom, except the purpose of both Chinese custom and law to place woman, under all circumstances, at a disadvantage and impress upon her the servile position she occupies in her relation to man. If the widow remains with her husband's father or brother she will be discouraged by them and, if possible, prevented from marrying again. There are instances where the widow has repudiated all connection with the family of her former husband, and then there is the other maxim: "if heaven wants to rain, or your mother to marry again, nothing can prevent them." But custom is so strong in opposition to a widow re-marrying that the act is considered indecent and to reflect disgrace upon her family. When a widow refuses all offers of a second marriage popular opinion holds her in the highest esteem, and for her faithfulness she may receive an imperial reward in the form of a gateway erected in the place where she lives.

The principle of the law that forbids an official to hold office in his native province, forbids him to marry a woman under his jurisdiction, or who is the member of a family interested in the performance of his official duty; and this principle of law, to guard against

partiality, has been extended to prohibiting the official, if related to one of the parties, to sit as a judge. Inequality of rank, and the widow of a man of rank, are impediments to marriage. "Buddhist priests and nuns, and those Taoist priests and nuns who do not shave their heads and plait their hair like other Chinese, in fact, lay brothers, may marry. A priest who obtains a woman under the pretence that she shall marry another, and who then marries her himself is severely punished. Marriage is impossible between male slaves and free women." (Möllendorff.)

The impediments, although the marriage be concluded, renders it null and void, and the general rule is that the responsible parties are only punished, if they knew of the impediments. There is no dispensation in case of impediments, and difference of religion has no influence upon marriage.

The constitution of a Chinese family and the impediment to marriage being known, there are six ceremonies prescribed for a regular marriage, but, as indicated, the parties most deeply concerned are not consulted. The betrothal and consummation are managed by the heads of the families.

"The father and elder brother of the young man send a go-between to the father

and brother of the girl to inquire her name and the moment of her birth, that the horoscope of the two may be examined in order to ascertain whether the proposed alliance will be a happy one.

"If the eight characters seem to argue aright, the boy's friends send the *mei-jin* back to make an offer of marriage.

"If that be accepted, the second party is again requested to return an assent in writing.

"Presents are then sent to the girl's parents according to the means of the parties.

"The go-between requests them to choose a lucky day for the wedding.

"The preliminaries are conducted by the bridegroom going or sending a party of friends with music to bring his bride to his own house. The matchmakers contrive to multiply their visits and prolong their negotiations when the parties are rich, to serve their own interest." (Williams).

As the ages of the parties betrothed are not legally material, the time intervening between the betrothal and marriage may be a few months or several years. If the families are friendly the betrothal sometimes take place when the parties are not over three or four years of age, but the statement that unborn children may be betrothed is not correct, the law forbids it.

From one to three months before the day selected for the celebration of the marriage, a fortune-teller is consulted in order that a fortunate day may be named, and also for "cutting of the wedding garments, for the furnishing of the curtains of the bridal bed, for the embroidering of the bridal pillow, and for the entering of the sedan, on the part of the bride, on the day of her marriage;" and during this intervening time certain presents are presented, including the "cakes of ceremony," and all the ceremonies are arranged with the minutest detail and minutely carried out.

After the signing of the contract of betrothal by the heads of the families of the betrothed parties, or by those having the authority to sign, both parties may sue for the conclusion of the marriage, and the party who refuses to keep the contract is punished, and the court enforces the marriage. If the contract is not in writing the acceptance of presents is conclusive proof of the agreement. A second betrothal of the bride does not invalidate the contract, unless with the consent or approval of the family of the first bridegroom; and forcible abduction of the bride before the day named for the marriage, or any delay on the part of the bride's family after that day, are punishable.

If it should be discovered before marriage that false statements had been made, the contract is annulled, and the guilty are punished. If the false statements were made by the family of the bride the presents are returned, but if made by the bridegroom's family the presents are kept by the bride and the guilty receives a severer punishment, and here at least is a discrimination in favor of woman. The discovery of fraud after marriage is a cause for divorce, or if the bride or bridegroom has been punished for theft or fornication the contract may be cancelled.

There is one document connected with the contract of betrothal, and which passes before the conclusion of the marriage ceremony, of special significance; it stipulates the sum to be paid for the bride and corresponds to the purchase of the ancient German and Greek laws, and when the father of the bride accepts the sum of money offered, he sells his daughter to the family of the bridegroom, and Chinese law ratifies the sale by the provision, that the wife belongs to the family of her husband, shall consider the parents of her husband her parents, and shall legally mourn for them longer than for her own parents.

"The ceremony of marriage was intended as a bond between two surnames, with a view,

in its retrospective character, to secure the services in the ancestral temple, and, in its prospective character, to secure the continuance of the family line. Therefore the superior man sets great value on it. Hence, in regard to the various ceremonies,—the proposal, with its accompanying gift; the enquiries about the name; the intimation of the approving divination; the receiving the special offerings; and the request to fix the day;—these all were received by the principal party, as he rested on his mats or leaning-stove in the ancestral temple." (Legge.)

The marriage being concluded in a public manner by the express will of the parties, it is not regarded as a religious institution. The law of China is similar to the Roman and Canonical laws on the subject, before the Concilium Tridentium (1545-63) made marriage a religious institution and gave the Church the opportunity to claim the right to decide in matrimonial cases; it was then that the difference between Church and State began to divide public opinion and disturb the peace of the world, until a more enlightened sentiment has about confined each in its proper sphere of influence to the benefit of all.

The provision of the family law, which defines the relation between husband and wife,



ought to silence those writers who would find excuses for the servile condition of Chinese women. There cannot be found in the law code of any nation a provision so debasing in its special requirements and in its general scope, and against it the morals and humanity of all lands should make the most determined and persistent attack. The gentlemen and official classes of China are the authors and endorsers of the degradation of their women, and should be made to feel, at home and abroad, their responsibility for the laxity of morals which they encourage by their practices.

The teachers of christianity in China have many superstitions and religious prejudices to overcome, but all enlightened people can consistently unite, whatever their beliefs as to the efficacy of missionary work, in opposition to the longer toleration, much less enforcement, of a custom or law that recognizes woman as the special subject for the baser passions of man, and unfeelingly holds her in subjection to them, entering the world, as she does, without a blessing and leaving it without a hope.

In China the wife shares the rank of her husband, but he can inflict corporal punishment upon her at pleasure, and is free to violate conjugal fidelity, while any such conduct by the wife is a heinous crime, and if she disobeys

her husband he may sell her for a concubine. She must render to him implicit obedience, must not leave home without his consent, although the husband can travel with his concubines, the wife shall remain at home to take care of the children begotten either by her or the concubine, with which the husband is at liberty to fill his house as the witnesses of her humility and slavery.

But if the husband should be the oldest member of his stock and die, then the wife has the power to manage the household and family estate, and, after her death, the property is divided among the sons, each of whom registers himself as a new family or household.

Unless otherwise stipulated in the contract of marriage, the property of the wife, however inherited or come into possession of, belongs to the husband, who is not responsible for her debts, except she was a *sui juris* before marriage, or had no family, when the husband would be liable. If the wife does not bear children, the husband is not limited as to the number of concubines, or he may contract with a widow until he gets a son by her, and the widow need not leave her former husband's family, but carry out the contract under a cover that should have remained ever sacred.

After the death of the husband, the wife belongs to his family, and cannot leave it for any cause without leaving her husband's estate, and what she brought with her. At the moment of marriage the ties of home and family are severed, and the affection and loyalty of the wife are required to be wholly transferred to the family of her husband.

The natural cause of the dissolution of a marriage is the death of either the husband or wife, but there are other causes, and these are prescribed by law. In addition to the impediments to marriage, and which are causes for divorce, the husband, if he catches his wife in the act of adultery, may kill both adulterers, but if the wife is not killed she may be sold into concubinage, though the money is forfeited. If the adulterer should kill the husband, the wife is strangled.

A divorce may take place:—

“If both husband and wife are willing to dissolve marriage, owing, *e.g.*, to incompatibility of temper.

“If the wife leaves the home against the will of the husband; should she marry whilst absent she is strangled.

“If the wife beats her husband.

“If the marriage contract contained false statements.

"If the wife has one of the seven faults:—barrenness, sensuality, want of filial piety towards the husband's parents, loquacity, thievishness, jealousy and distrust, or an incurable disease.

"The husband, however, is obliged to keep her in spite of one or several of the above-mentioned faults if she has kept the full term of mourning for three years after the death of his parents, or if his family, having been poor at the time of the marriage, have since become wealthy; and, lastly, if the wife has no other relations to whom she may return after the divorce." (Möllendorff.)

The husband generally gives the divorced wife, when she leaves his house, a bill of divorce. The action for divorce is not as open to the wife as to the husband; she can only bring the action if she thinks there will be no objection on the part of the husband. But if she has been cruelly beaten by her husband, the law taking no notice of moderate punishment, or been deceived by false statements in the marriage contract, or the husband has become a leper, or has not been heard from in three years, the action for divorce may be begun by her.

When the marriage is dissolved the parties are as free as if they had never been married,

and the wife returns to her family if they will receive her, but the children remain with the father, and the purchase money, when the husband was not the cause of the divorce, is given back to him. Should the family of the wife refuse to receive her she becomes *sui juris*. There can be no relationship through the wife after the divorce. The laws of nearly every nation carefully provide for the legality of children born within a certain period after the dissolution of marriage, but as to the divorce of a pregnant wife in China, the law is defective in this respect, though, after the wife leaves the house of her husband, not to return again, the children born afterwards cannot be claimed by him.

It has been stated that if the wife maliciously leaves her husband and marries during his lifetime she is strangled, but the marriage of the husband during the lifetime of the wife, without legal separation, renders the marriage null and void. Bigamy on the part of the husband nullifies the marriage and the wife returns to her father, the purchase money being kept by the father, unless he knew of the first wife, and in that case it is forfeited, but if the wife commits bigamy she is strangled.

If there can be any reason for the practice of bigamy it does not apply to China, for the

husband can have as many concubines as he wants. Marco Polo's account that Kublai Khan had four wives, each dignified with the title of Empress and provided with a separate palace, may be the example followed by some wealthy Chinese when they have had more than one wife, but the example has few imitations, and when followed it is only by the wealthy.

The custom of polyandry is exclusively confined to the prefectural city of T'ing Choa, in the province of Fukien, whose inhabitants speak the Hakka dialect. It is of local origin, and as bigamy is practiced by the rich, polyandry is practiced by the extreme poor. There are cases where several brothers, by reason of their poverty, have one woman and live with her alternately. Where polyandry is practised child murder is of common occurrence.

Another custom in China, is when a widow marries a widower it is understood that, spiritually, the widow belongs to her first husband, and when she dies her family bury her with him. The husband can marry immediately after the death of his wife, but custom opposes the re-marriage of the widow until she has mourned three years for her deceased husband.

The doctrine of adoption is a most important branch of the Chinese family law. Its main idea is to perpetuate the family, and that the

differences between families may also be perpetuated it is provided that "only children out of families who bear the same family name may be adopted." The adopter is generally older than the adopted, but there are no special requirements, although the adoption of one's younger brother or one's uncle, even if the latter is younger than the nephew, is not allowed; for the same reason the uncle may not adopt a nephew who is older than or of the same age as himself. The one adopted may be adopted as a son, daughter, or grandchild, but not as brother, wife or concubine. It is estimated that five per cent. of all the families in China possess adopted children, and as the adoption rests upon purchase, a contract being made, the word possession indicates the true nature of the families' claim to the adopted.

Upon the death of the father his power passes to the mother, and after her death to the eldest son. If the son is an office holder the father has no authority over him except with the permission of the Emperor. The father may give himself into arrogation and thus place his children under the power of arrogation, or his power may cease with his will:—

"By sale into adoption, by which the son acquires agnate rights in the family of his adopted father.

“By sale of a daughter into marriage, she becoming an agnate in her husband's family and entering his *manus*.

“By permission to the children to enter a religious order, they then lose their family name and leave the family connection altogether.

“By exposing the children in tender age. The finder may lawfully adopt them if under three years of age. If older, they are not allowed to be exposed, and only the ways mentioned under the first and second of these paragraphs are left to the father to rid himself of his children.” (Möllendorff).

If an unmarried man gets a child by a girl, he must marry her; if he has a wife, he must take her as a concubine, but in any event the child is legitimate. Illegitimate children and the children of prostitutes bear the family name of the mother and are under her power.

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NOTE.—Marriage customs among the Tartars is described by Marco Polo as follows:—“Any man may take a hundred wives if he be able to keep them. But the first wife is ever held most in honor, and as the most legitimate (and the same applies to the sons whom she may bear). The husband gives a marriage payment to his wife's mother and the wife brings nothing to her husband. They have more children than any other people because they have so many wives. They may marry their cousins, and if a father dies, his son may take any of the wives, his own mother always excepted: that is to say the eldest son



may do this, but no other. A man may also take the wife of his own brother after the latter's death. The weddings are celebrated with great ado."

The custom that entitles the son on succeeding to take such as he pleased of his deceased father's wives is evidenced by many instances to be found in Hammer's or other Mongol histories. The same custom seems to be ascribed by Herodotus to the Scythians. A modern Mongol writer states that the custom of taking a deceased brother's wife is now obsolete, but that a proverb preserves its memory. (Yule.)

The marriage custom of Tibet is thus described by Marco Polo:—"No man of that country would, on any consideration, take to wife a girl who was a maid; for they say a wife is nothing worth unless she has been used to consort with men. And their custom is this, that when travellers come that way, the old women of the place get ready, and take their unmarried daughters or other girls related to them, and go to the strangers who are passing, and make over the young women to whomsoever will accept them, and the travellers take them accordingly and do their pleasure; after which the girls are restored to the old women who brought them, for they are not allowed to follow the strangers away from home. In this manner people travelling that way, when they reach a village or hamlet or other inhabited place, shall find perhaps twenty or thirty girls at their disposal. And if the travellers lodge with these people they shall have as many young women as they could wish coming to court them. You must know, too, that the traveller is expected to give the girl who has been with him a ring or some other trifle, something, in fact, that she can show as a lover's token when she comes to be married. And it is for this in truth and for this alone that they follow this custom; for every girl is expected to obtain at least twenty such tokens in the way I have described before she can be married. And those who have most tokens, and so can show they have been run after, are in the highest esteem, and most sought in marriage, because they say the charms of such an one are greatest. But after marriage these people hold their wives very dear, and would consider it a great villainy for a man to meddle with another's wife; and thus, though the

wives have, before marriage, acted as you have heard, they are kept in great care from light conduct afterwards. Now I have related to you this marriage custom as a good story to tell and to show what a fine country that is for young fellows to go to."

Such practices are ascribed to many nations. Martini quotes something similar from a Chinese author about tribes in Yunnan; and Garnier says such loose practices are still ascribed to the Sifan near the southern elbow of Kin-sha Kiang. Even of the Mongols themselves and kindred races, Pallas asserts that the young women regard a number of intrigues rather as a credit and recommendation than otherwise. Japanese ideas seem to be not very different. Aelian gives much the same account of the Lydian women. Such is also stated to be the case with the Indians of Tanto, the Laplanders in Regnard's days, and the Hill Tribes of North Aracan. Mr. Cooper's Journal, when on the banks of the Kin-sha Kiang, west of Bathang, affords a startling illustration of the persistence of manners in this region. (Yule.)

COMMERCIAL TREND.

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Foreign trade was at the close of an old chapter and at the commencement of a new one, according to Sir Robert Hart, in September 1900. He evidently anticipated early, great and beneficial changes from any commercial treaty that might follow the frustration of the Boxer movement and the settlement of affairs in the North. But the [Mackay] treaty, which was precipitated by these events, is still ineffective from the absence of agreement as to certain more or less important details, but chiefly because of the appearance amongst its articles of a vexatious consumption tax on native goods. What is required is a treaty that will make some serious effort to meet all the demands of present tradal relations with China, and properly develop her internal commerce. The coming treaty with China should be simple. There should be one tax or tariff, and one only, levied on imports at the port of entry, the payment of which should entitle the imported merchandise to go free throughout the length and breadth of the Empire. There is no instance in history where

a nation with a system of internal taxation similar to China's has ever grown rich: there are many where the nations adopting it have gradually become impoverished and finally bankrupt. Not that the internal trade of China, which has continued on its old lines for more than thirty centuries, runs any such risk, but that it is hindered from availing of opportunities of expansion by a further continuance of its domestic restrictions. England's position to-day in commerce is largely due to a comparatively unfettered trade. What would be the condition of the United States with likin stations on the borders of the several states? Their common prosperity is largely owing to the fact, that once the import duty or tax is paid, the article henceforth is free from any other levy whatever. And so with home productions, there are no likin stations or excise posts to hinder their free movement.

The United States and China will bear comparison in the fact that they are two fields which offer every known advantage for the prosecution of commercial enterprise. The former country, unembarrassed with local restrictions, has, within a quarter of a century, attained its present place in the commerce of the world, with an annual foreign trade of 2,285,040,342 gold dollars and a population

of 80,000,000. What then might be the volume of China's foreign trade, with her population of 400,000,000, were she more happily circumstanced?

Before an acceptable finality is arrived at in regard to the so-called Mackay treaty, which can only be after each Great Power has had its say, a time more or less lengthened is bound to elapse, but it is to be hoped that an unmistakable agreement will be reached whereby the first tax on imports into China shall be the last and only burden.

Meantime imports are advantaged by a revised tentative tariff, while the export duty on tea is reduced by one half, *i.e.*, from Tls.  $2\frac{1}{2}$  to Tls.  $1\frac{1}{4}$  per picul.

Yet, in spite of these reliefs, complaint is loud and frequent that trade remains in a most unsatisfactory condition, particularly in the larger interest of imports. Pouring goods wholesale into a country without considering the country's special requirements is not sound or wholesome trade, and though such action swells the commercial volume and adds materially to the national exchequer, its contributors can expect to meet with little less than disappointment.

The inexorable law of supply and demand sooner or later brings all things to their level. Meantime signs are not wanting that the near

future is promising, and that the general tendency is indisputably towards a material expansion of the commercial trend. No student of the authoritative returns of trade and trade reports for the year 1902, published by order of the Inspector General of Customs, can rise from the examination of this, its last issue, without being struck with the comparatively colossal proportions to which foreign trade has attained, nor with the increasing variety of the articles which contribute to the grand total. There is an elasticity about the China trade, conservative and so little known as the country is, which not even such potent influences as the Boxer movement of 1900, with its resultant commercial upheaval and unrest in the northern trading centres, nor the steady and serious fall in exchange, which has proved so grave a burden on all imported goods, nor the strain of the Government to find the wherewithal to meet its indemnity obligations, have been sufficient to impair. And yet after all, what is commercial China? Foreigners know little of it, for it is admitted that during the past cycle foreign trade, often pushed none too wisely but too well, has done little more than just cross the border. Neither has the trade grown, nor the revenue derived from it multiplied to anything like the extent the framers of the early treaties

anticipated and sanguinely predicted, a state of things accounted for in large measure by the fact that the Empire is in itself so great, the people so numerous, that sales to each other make up an enormous and sufficient trade, and export to foreign countries is unnecessary. "This," we have it on the high authority of the Inspector General of Customs, "explains why sixty years of treaty trade have failed to reach the point the first treaty framers prophesied for it," while he further emphasises his view with the assertion that "the foreigner can only hope to extend his business relations in proportion as he introduces new tastes, creates new wants, and carefully supplies what the demand really means." What the foreign trade of China might be is shown by a comparison with Japan, which, with a population less than one-seventh, spends almost as much as China on foreign goods; which, read in another way, simply means that China in a measurable time, if she follows the example of her sister Empire, would increase her foreign import trade sevenfold. But before any such expansion of the commercial trend can be looked for, domestic trade must be relieved of the taxation of goods in transit, local industries must be assisted instead of being hampered by excise and by taxes on raw materials, and the enormous

resources of the country must be developed, while the imposition of any such levy as a consumption-tax will result in lowering the already low purchasing power of the humbler trader, and so militate against the diffusion of trade.

The tradal possibilities of China, directed in the right way, could only make for the expansion of trade: and it may be that the figures of last year's trade, *viz.* Hk.Tls. 529,545,489, or approximately £69,500,000 sterling, may come to be regarded in the course of another decade as Lilliputian.

It will not be necessary to go back to early years in order to show the progress of the march of trade. For present purposes the statistics furnished by the lustrum, which experienced such adverse influences as a continous and steady decline in the price of silver, and the commercial disquietude occasioned by the political imbroglio of 1900, will suffice.

ANNUAL VALUE OF THE FOREIGN TRADE OF CHINA.  
1898 to 1902.

YEAR.	NET IMPORTS. Hk. Tls.	EXPORTS. Hk. Tls.	TOTAL. Hk. Tls.
1898	209,579,334	159,037,149	368,616,483
1899	264,748,456	195,784,832	460,533,288
1900	211,070,422	158,996,752	370,067,174
1901	268,302,918	169,656,757	437,959,675
1902	313,363,905	214,181,585	529,545,489



From these figures it will be seen that even in the year of the Boxer troubles, 1900, the total was greater than it was in the first of the five years under review, while the recuperative power of trade is shown in the marvellous total of 1902, which produced a revenue to the Customs of Hk.Tls. 30,007,044, which was Hk.Tls. 3,345,584 better than the collection of 1899, till then the highest on record. In fact, the revenue in 1902, was  $46\frac{1}{2}$  per cent. greater than it was in 1898.

The value of the imports altogether was Hk.Tls. 315,363,905, and is approximately arrived at in the following manner :—

	Hk.Taels
Opium ... ..	35,000,000
Cotton goods ... ..	27,500,000
Indian yarn ... ..	41,000,000
Japan yarn ... ..	12,000,000
Woollen goods ... ..	4,000,000
Metals ... ..	10,000,000
Kerosene oil ... ..	11,500,000
Coal ... ..	7,000,000
Matches ... ..	3,500,000
Rice ... ..	23,500,000
Cigars and cigarettes ... ..	2,000,000
Sundries (Tls. 24,350,825 of which are unenumerated.)	38,000,000
Hk. Tls.	<u>315,000,000</u>

Imports were re-exported to the extent of Tls. 10,000,000.

The value of the Exports amounted to Tls. 214,181,584.

The chief staples represented being:—

	Taels
Tea ... ..	23,000,000
Silk ... ..	79,000,000
Hides and skins ... ..	11,000,000
Raw cotton ... ..	13,000,000
Beans and beancake ... ..	10,000,000
Straw Braid ... ..	4,000,000
Sundries, including over 50 other specific articles ...	74,000,000

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Tls. 214,000,000

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The preceding figures should disabuse the minds of those who consider that the China tradal field is not worth the further working. They show that the import trade figures not only mark a great advance on those of 1901, but are the greatest known in the annals of the trade, and, as says the Statistical Secretary, "should reassure those who imagine that China is becoming poorer."

Noteworthy is the determined bid made by America for a greater share in the cotton goods trade. Of a total importation of 1,948,347

pieces of drills of all kinds, America is credited with supplying 1,741,103; of a total of 5,528,918 pieces of sheetings, 4,705,859 were American goods: that is to say 85 per cent. of this important import is American. And it is pleasing to note that this prosperity is well deserved, for it is due to the superior grade of American cotton, its honest manufacture and durability; and by virtue of such superiority American goods of this class hold an incontestable position in the markets of China, particularly in her fair possession, Manchuria. It is estimated that about one-half of these goods find their way into Manchuria: how far their import will be stimulated and their distribution increased under the Russian occupation of that province is a question which American shippers may well consider.

Equally worthy of notice are Germany's efforts to further her commercial industries. She is not only importantly represented in the metal import, but she has the lion's share in what is called the "Muck and Truck" trade, and will be a most formidable competitor in the woollen and fancy goods markets, in which latter she will probably reign supreme.

For some reason or another woollen goods do not find the favor in this Eastern market that might be expected, and what demand there

is, is of a more or less capricious nature. The total value of the import is only £500,000 sterling, after half a century's trade. Once supply a manufactured woollen that will "catch on" in some of the hungry marts in the interior, and the demand will be responsive enough. It is evident that woollens in their present forms of camlets, lastings, long ells, Spanish stripes and Russian cloth are not exactly what the Chinese require. The ingenuity will be rewarded that discovers the want and supplies it.

Nothing in the metal trade makes for its growth. In 1886 metals constituted six per cent. of the total imports; in 1896 they were only four per cent.; in 1902 they fell to three per cent. exactly. Nor is there anything in the prospect, for when China begins to be opened up and worked, the output of her mines ought early to be large enough to render her independent of imported metals. At present it would seem that metals had reached their high-water mark.

An article of spasmodic import, occasionally of large proportions, is rice, but it is an article which rarely interests or benefits foreigners except in its carriage. In the past year, owing to indifferent crops in the southern provinces, there was such a demand for freight that some 9,730,654 piculs, or about 580,000 tons, were

imported to relieve the situation, at a cost of £1,278,000 sterling, representing an abnormal amount of freight carried chiefly in foreign bottoms.

There was an appreciable falling off in the kerosene oil trade in 1902, a natural reaction following the excessive imports of the previous few years, which was conspicuously evidenced in the Russian luminant, which returned to the figures it stood at ten years ago, having fallen from 32,486,070 gallons to 10,105,886 gallons. There were also shortages in the receipts from America of 12,500,000 gallons, and from Sumatra of nearly 7,000,000 gallons. Oil has become such a necessity and so great a trade that a comparison of the figures of the last decade cannot be without their interest and instruction.

#### IMPORTS OF KEROSENE OIL.

	1892	1902
American ...	57,759,677	45,287,807
Borneo ...	223,790	742,270
Japanese ...	8,920	510
Russian ...	32,486,070	10,105,886
Sumatra ...	40,640,049	33,797,434
Gallons ...	<u>131,118,506</u>	<u>89,933,907</u>

America has for long years held its place as the largest supplier of oil, but Sumatra is

rapidly entering into formidable competition, while a big output may soon be expected from Borneo and Burmah, to say nothing of prospective supplies from the oil fields of Szechuen and the Yangtze Valley.

In the long list of imported "Sundries," valued at Tls. 136,948,982, or Tls. 17,000,000 higher than 1901, are articles to which the attention of the foreign merchant, in the near future, will be more seriously turned than it has hitherto been, as they seem to suggest fields of almost illimitable extent. There is not much disposition at the present time to go out of the beaten tracks of the trade, out of the staples, in fact, but it is obvious that a vast expansion is possible in such imports which so far have been only "lightly touched," as leather, ribbons, aniline dyes, buttons, candles, cement, window-glass, soap, machinery, etc., etc., etc. China is self-supporting as regards flour, but heavy supplies occasionally come in when the great Pacific combines find themselves burdened with excessive stocks.

Regarding Exports there is reason to believe that they might be put down at a higher value than the Tls. 214,181,584 as shown in the Customs Returns, as the values adopted at certain ports "appear in many instances to be too low," according to the Statistical Secretary.

Of this large sum the great staples of silk and tea account for Tls. 78,625,868 or .365 per cent., equal to one-third, and Tls. 22,859,829 or .108 per cent., equal to one-tenth of the trade roughly, respectively.

Raw cotton was exported to the extent of Tls. 10,995,582, oils (especially wood oils), Tls. 3,998,029, while beans and beancakes—for which there is a large Japanese demand,—bristles, feathers, hemp, animal tallow and wool, all showed considerable advances.

An instance of a trade that is rapidly pushing itself forward is that in sesamum seed. It has risen from piculs 297,365 to piculs 882,302: that is, that it has trebled itself in a year, owing chiefly to the opening up of new country by the southern section of the Lu-han Railway, which it is hoped is a foretaste of the general development which may be looked for from the many railway schemes already in hand.

To get an idea, though possibly only a very faint one, of China's productive capabilities, one has but to turn to the Customs Annual Report, where may be seen a list of fifty-seven enumerated articles, while the smaller and unenumerated articles are found to be of the value of Tls. 20,372,093, or over £2,500,000 sterling. Many of these productions must be almost unknown to foreigners except by name,

and in their almost "infinite variety" it may reasonably be anticipated will be found many an unfurrowed field whose working should well repay both enterprise and intelligence.

That trade with China will expand as the country becomes more opened up permits of little doubt. How to take the best advantage of the great prospect is the question which every merchant will set himself to answer. Over-supplying an unresponsive market is not a wise policy, though one but too frequently pursued, and particularly senseless would such action be in the case of a country like China, which is not "one homogeneous whole" in respect of its tradal customs, but a coterie of kingdoms, each with its own budget, its own system of taxation, its own provincial views, its own wants and necessities. What will suit one province in the matter of foreign goods will not suit another. It is the trader's part then to discover those peculiar wants, and to endeavour to minister to them.

More than one attempt has been made, under foreign governmental influence, to acquire such information with a view to benefiting their nationals. Seven years ago the Blackburn Chamber of Commerce sent out a commission from England, who visited the various treaty ports, and embodied the valuable information



obtained in a voluminous report. In 1897 there arrived in Canton a commission appointed by the German Government instructed to study carefully the needs of China and the best methods of advancing the interests of German merchants. At the time of the China-Japan War, 1894, substantial service was rendered to China by Russia, and the Russian representative at Peking has not allowed China to forget the obligation. A minister less fertile in resources and diplomatic ability might have succeeded in giving a favourable direction to trade: but Count Cassini has not only done this, but has laid deep the foundation of its expansion by opening up the long-desired highway from European Russia to the Pacific, thus pouring sunlight into regions which have hitherto been inaccessible to even the faint rays of a higher civilization. It remains to be seen what commercial advantages Manchuria will offer under Russian control. All of these efforts make for expansion. But though governments have done something for their respective nationals, as evidenced above, in obtaining information not accessible or available except under authoritative and political pressure, yet it must remain for the individual trader to devote not only his capital, but his intelligence, his industry, and his concentration to the solution of the question how

to take the best advantage of the possibilities a further opening up of the country is likely to afford. "But let negotiators be as painstaking as you please, they and their governments only lay the rails, so to speak, and the merchant himself must provide the trains and find the passengers."

The customs, the habits and the prejudices of the Chinese are primary lessons to be learned before judicious calculations can be made for business ventures; and time and study are required to master such lessons. This, as a rule, is a lesson that the American merchant has never considered of sufficient importance to learn; for while other countries have sent their young men to China and placed them under the tutelage of experienced business men, there are but few young Americans who are being trained in this common sense manner.

To those more immediately interested in the China Trade the following table, compiled from the Custom's Returns, has a special value of its own. This quinquennial period, though temporarily affected by quite abnormal influences, has passed through the ordeal not only scathless but with lustre, and emerges with results only too clearly confirmative of the progress of the commercial trend.

ANNUAL VALUE OF THE DIRECT TRADE WITH THE  
CHIEF COUNTRIES FOR THE YEARS 1898 AND 1902.*IMPORTS.*

COUNTRY.	1898 Taels.	1902 Taels.	Increase per cent.
Hongkong ... ..	97,214,017	133,524,669	38
Great Britain ... ..	34,962,474	57,624,610	64
Japan ... ..	27,376,063	35,342,283	30
India ... ..	19,135,146	33,037,439	72½
Europe (except Russia) ...	9,397,792	18,484,678	96½
U.S. America ... ..	17,163,312	30,138,713	75½
Singapore and Straits ...	2,620,128	4,108,926	56½
Russia, Odessa and Batoum	1,454,281	889,016	38¼ dec.
Russia, Siberia and Kiachta	665		
Russia and Manchuria ...	299,142	345,518	15½
Korea ... ..	952,307	1,260,999	32½
Other Countries ... ..	9,053,218	10,769,960	18½
Total ... Tls.	<u>218,745,347</u>	<u>325,546,311</u>	<u>48½</u>

*EXPORTS.*

COUNTRY.	1898 Taels.	1902 Taels.	Increase. per cent.
Hongkong ... ..	62,083,512	82,657,375	33½
Great Britain ... ..	10,715,952	10,344,375	½ dec.
Japan ... ..	16,092,778	28,728,294	72½
India ... ..	1,324,125	2,832,274	113¾
Europe (except Russia) ...	25,929,114	39,728,637	53½
U.S. America ... ..	11,986,771	24,940,151	108½
Singapore and Straits ...	2,151,630	3,026,922	40½
Russia, Odessa and Batoum	5,004,991	3,793,905	24½ dec.
Russia, Siberia and Kiachta	9,795,790	4,267,090	56½ dec.
Russia and Manchuria ...	2,997,426	2,850,611	½ dec.
Korea ... ..	1,086,748	1,043,428	½ dec.
Other Countries ... ..	9,868,312	9,968,522	1 inc.
Total ... Tls.	<u>159,037,149</u>	<u>214,181,584</u>	<u>34½</u>

From the foregoing tables will at once be seen the giant strides of both the import and export trades in the last five years, notwithstanding events and influences which it may reasonably be held would have paralyzed many trades and retrograded more. The import trade, however, in spite of abnormally deterrent influences, increased in volume  $48\frac{1}{2}$  per cent.: the export trade, stimulated by a legitimate demand from the consuming markets, and favored by a low exchange, expanded  $34\frac{1}{2}$  per cent. These are big percentages when considered in relation to matters of small moment, but are wonderful when applied to an amount approximating *fifty million pounds sterling*, which was the value of the China trade in 1898. If such progress as this, in respect of imports, can be maintained in times that have been "out of joint," what may be expected when that time shall come when a greater steadiness in the value of the circulating medium shall prevail and goods pass through the land comparatively free of arbitrary provincial exactions. China is a land of contradictions and contrarities; so much so that where one could elsewhere draw reasonable conclusions from figures and facts and conditions with a certain amount of confidence, that possibility vanishes in respect of the future in this great

empire, where it is the unexpected that always happens, in fact, "where things are not what they seem." But looking at the chief imports, it might not be beside the mark to forecast a great increase in the consumption of the endless varieties of the articles coming under the head of "Cotton Goods;" and such a movement would, doubtless, be accelerated if Manchester were to take a leaf out of the American book and remove the shoddy stigma which attaches so strongly to her light textiles in general, and to her fancy goods in particular.

The stagnant nature and the ridiculously small proportions of the woollen trade are evidences clear enough that Bradford has not yet hit her trade-nail on the head as regards China markets. But it is absurd to suppose that there is not a great future for all woollen goods, though there are those wedded to the belief that the Chinese are indifferent as to woollens which will come closer as enterprise is directed towards the acquisition of an intelligent appreciation of China's needs in this line. It is a reflection indeed that only 48,000 pairs of blankets found their way to China in 1898.

The low range of prices that have recently ruled for all kinds of refined sugars, lower than that ruling for native produce, has brought them

into great favor, while continental beet sugars, in this, their first year of importation, have been placed on the market at so low a figure as to necessitate a large drop in prices all round; so much so that the foreign refined article, much superior in every way, is now selling at rates a tael below those asked for the native product. There must exist an enormous demand in this most populous land for sugars of every description, and great is the field lying open for Continental manufacturers of beet.

The future is not so bright for the staple importations of metals, kerosene oil and coal, for they must necessarily in time enter into competition with the similar products which China is said to possess in more than abundance, and which cannot much longer be allowed to remain unworked.

But though things in China hasten slowly, yet none the less surely do they progress, and he would not do ill who began to trim his sails and shape his course in anticipation of the eventualities that loom.

Too numerous to mention in this place are the thousand and one petty articles of import which the Customs mass under the head of "Unenumerated Sundries." Still they represent an aggregate value of Taels 24,350,825, or roughly £3,000,000 sterling, in themselves a

trade of no mean dimensions, yet capable of indefinite expansion.

Local industries, notably cotton mills, have not fulfilled the promise held by their projectors. The common depreciation on the par value of their shares is 60 per cent. Three causes have operated against their successful working. One the competition with India, with her abundant cotton and cheap labour, who, to meet the whole of the then early China demand, fully equipped eight mills; another, the low exchange which so encouraged the export as to materially raise the normal price of the raw material; and a third, the sharp competition between the various mills for the raw material, a competition which, assisted by the general advance in the world's price of the staple, has driven the price of cotton up some 40 per cent., that is, from Taels 14 to Taels 20 per picul; a figure that puts profitable working out of the question, if the market value of mill shares be a criterion. On the other hand it is well known that the Japanese are very heavy buyers of Chinese raw cotton, can afford to ship it over to Japan, work it into yarn, and reship the product to China, where they are able to sell it at a profit. From which it may be gathered that no great progress has been made in the rectification of the early mistakes of local mill

management. Not only does the whole production of the local mills, amounting annually to 135,000 bales, or 405,000 piculs go at once into consumption, but the quantity of imported yarn from Japan in 1902, 59,554,400 lbs.; from India 251,611,467 lbs., further added thereto, left last year's demand unsatisfied. This special import, of but a few years' standing, was last year of the value of Taels 53,000,000 or two and one third, times greater than the once vaunted tea trade. It stands now, as a tradal factor, second only to silk, and it would seem destined at no distant date to occupy the premier position.

The continuous depreciation in the value of silver and the sympathetic decline in exchange have not only favored the exports of the older staples of tea, silk, and the more recent ones of hides and raw cotton, but have brought into prominent notice numberless articles of native produce which had otherwise remained neglected, if not, as in many cases, to all intents and purposes, unknown. They have given an impetus to the shipment of bristles, feathers, hair of all kinds, hemp, matting, oils (bean, ground-nut, tea, wood, rape, sesamun, etc., etc.), tallow, wool, antimony, and of miscellaneous articles, too detailed for enumeration in the Customs Report, amounting to the value of over Hk.Tls. 20,000,000.



The tea trade has been aptly described as moribund, a state of things for which China herself is only too largely to be held responsible, and it was the low exchange rates alone ruling last year that rendered the shipment of the commoner grades of tea possible. For years the Chinese have been allowing the quality to depreciate, and this, too, in the face of the patent and aggressive competition of India and Ceylon. So much has been written about the decline of the China tea trade, and so well and forcibly has it been put, that any reiteration of its cause would now only come too late. The palpable and unsatisfactory fact alone remains that China has been almost completely ousted from a trade once hers and hers alone, and all hope of reassertion must unfortunately be abandoned. It is quite true that the diversion of her green tea trade from India to the comparatively new Russian port of Batoum, thus relieving the article of the heavy caravan and overland charges incurred in its former transport from Bombay to Samarkand and the Caucasian provinces, has given a fillip to the trade which cannot however be other than ephemeral with the continuance of any such prohibitory prices as natives have succeeded during the past two years in wresting from the Parsee buyers for the new emporium. Further

than that there is not an unlimited demand for green tea. Both America and England received unusually ample supplies last year, fuller possibly than any increased consumption would seem to warrant; and when it is remembered that China is now not the only source of supply, but that India and Ceylon are producers of magnitude already, it must be acknowledged that the green tea trade of China stands on very uncertain ground. To accentuate this position the following figures lend themselves. In 1902, the total export of green tea from China to foreign countries was 33,834,267 lbs.; in 1903, the third year of its existence, the quantity of British grown green tea alone available for export is estimated to be 20,000,000 lbs. This must have the indisputable effect of displacing no uncertain proportion of the China article. It certainly leaves no roseate prospect for the foreign trader.

Still China is a mighty tea producing country. According to the *Encyclopædia Britannica* the internal consumption is said to be 5 lbs. per head of the population, which would be 2,000,000,000 lbs., the total export direct to foreign countries was 213,662,867 lbs., making the stupendous total of 2,213,662,867 lbs. Of course, it is understood that the native used article does not undergo the costly preparation

of the shipped product, but is simply consumed in the sun-dried condition. But the great total remains there all the same.

It would not be reasonable to look for any expansion in a trade which has permitted such antagonistic elements to enter into successful competition with it as have been indicated.

So long as fashion prevails, so long will there be a demand for silk and silk fabrics. A little more care bestowed on the rearing of the worms, and greater precautions taken to protect them against the variations in temperature of the early summer, would certainly lead to a crop superior in quality if not greater in quantity. The trade in cocoons is a large one, chiefly in the hands of a few French and Italian buyers, but unbusinesslike competition amongst foreign buyers in the country may bring about results not dissimilar from those experienced by the purchasers of cotton. However, the demand both from Europe and America remains steady, and a sound trade may be relied upon if prices on this side do not exceed legitimate limits. The steam filatures here, numbering about twenty-eight, have reason to congratulate themselves on a good year's trade. The crop of white silk shows no immediate sign of any increase upon its normal size of 50,000 bales, but last year witnessed heavier shipments of cocoons, refuse

and Shangtung pongees. It is impossible to obtain any reliable statistics as to the quantity of silk used by the Chinese themselves, but it is said by the very best authorities not to be greater than the amount which passes into foreign hands, which is of the trade value of Taels 79,000,000, of which nearly Taels 60,000,000 is represented by other than white silks. On the whole this trade may be said to be in a sound position, particularly as purchases on this side are, for the most part, made on users' telegraphic orders, thus eliminating to a large degree the speculative element.

Much has been said of the inferiority of China grown cotton in all respects but of its whiteness. It could be well wished that the conservatism of China had not so vexatiously and persistently blinded her to the advantages of a favorable soil and climatic conditions in the production of a grade of cotton superior to that now produced; but it may be that her conservatism, in the absence of any better epithet, may sooner or later give way before more enlarged and enlightened business connections, and that it may perhaps be demonstrated that in China a grade of cotton may be produced equal to that which whitens the Mississippi bottoms or the uplands of Texas. The present value of the exports of the raw

materials is over Taels 13,000,000, the bulk of which goes to Japan, whence it returns in the shape of yarn, which is able to compete with the heavily taxed home-made product. But this is a trade unlikely to pass into any other than Japanese hands.

The trade in hides and skins is a growing one, and now reaches the respectable total of Hk.Taels 11,000,000, and, if there be any truth in the old adage that "there's nothing like leather," is one which the opening up of the country by the coming "iron roads" should do much to foster and to increase.

The strawbraid trade is, for the time being, under a cloud, and for the past two years has remained stationary in its export of 100,000 piculs. The reason is not far to seek, and is found in the fact that the Chinese are following their tea tactics, and producing an adulterated and foul plaited article, and so marked is this degeneracy that manufacturers do not seem to care to work it up. As a trade it is identical in value with the foreign woollen trade with China, *viz.*, Taels 4,000,000 but as soon as the plaiters return to their honest ways there should be and would be a material development in the business.

As regards metals and minerals it only remains to be said that when China shakes

herself free of that conservatism which for long centuries has kept her wealth concealed in the earth, she will be able to supply not only her own needs, but the requirements of all the countries of the world. Her products are not only great in their variety but untold in their quantity. Gold, silver, lead, copper, iron, coal, antimony, mineral oil, quicksilver, etc., are hers in abundance; and to emphasize one source of wealth alone one need only point to that great coalfield lying in the south-east of the province of Shansi, which, according to the authority of Baron Richtofen, at the present rate of consumption alone could supply the world for thousands of years. The impetus that would be given to the import trade by the wealth that would pour into the country from the release of her earth-hid treasures would possibly pass any effort of present imagining.

There are already in China thirty open ports whose trade passes through the Imperial Maritime Customs. Their aggregate population is 6,759,000, roughly one-sixtieth of the population of the empire. More open ports, in so far as they would bring foreign goods in closer touch with more buyers, suggest a wondrous expansion of trade.

China has the whole world as her customer could she be but taught to see it, and the

wealth with which such a customer could invest the land would re-act in all its fullness upon the manufactories of the world.

Hence, if the facts and figures here before quoted are to be depended upon, and the premises of the contention, however inadequately urged, be sound, the reasonable and logical conclusion will be drawn that a vast expansion awaits the present steady progress of the Commercial Trend of China.

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CHINESE WEIGHTS, MEASURES, ETC.

NOTE—A very general impression obtains that weights and measures in China are based upon the decimal system. This is true to a certain extent, as may be seen on reference to some of the following tables, but the system is far from universal, and there does not appear to be any really reliable standard for either weights or measures, the initial element in both cases being a grain of millet seed, the equivalent of the English barley-corn, while there is also a difference in both weights and measures varying with the article to which they are applied.

And so with the currency. There is no single Imperial standard of value for the silver tael applicable to the whole country. In different provinces, in fact, in different ports in the same province, the Customs' duties are paid in taels of different values, for instance:—At Tientsin, Customs' Tls. 100 are the equivalent of local Tls. 105; at Chefoo, Customs' Tls. 100 are equal to local Tls. 104.40; and at Shanghai, Customs' Tls. 100, or Haikwan taels, are payable at the rate of Tls. 111.40 Shanghai currency. It is not difficult to see then, that other things being equal, native produce will naturally find its way to that port where the

duty burden is lightest, as it most surely does to those centres where the internal embargoes are easier. For example:—green teas used to find their way to Shanghai by river steamer from Kiukiang, on the Yangtze, now they arrive by lighter from Hangchow, in Chekiang province.

*Area Table.*

10 ssü	= 1 haou	or 24 pu
10 haou	= 1 li	or 2.4 „
10 li	= 1 fên	or 24 „
10 fên	= 1 mow	or 240 „
100 mow	= 1 ch'ing.	

*Weight Table.*

1 tael	= 1½ oz.	avoirdupois.
1 catty	= 1½ lb.	„
1 picul	= 133½ lb.	„
16 liang (tael)	= 1 chin	or catty
100 chin	= 1 tan	or picul

*Currency Table.*

* 10 haou	= 1 li	or cash.
10 li	= 1 fên	or candareen.
10 fên	= 1 ch'ien	or mace.
10 ch'ien	= 1 liang	or tael.

\* Cash is usually made up into "strings" of 1,000 cash.

*Length Table.*

10 fên	= 1 ts'un	= 1 inch
10 ts'un	= 1 ch'ih	= 1 foot
10 ch'ih	= 1 pū	or kung.
1,800 ch'ih	= 360 pu	= 1 li, considered ⅓rd of a mile.

The measure of length is the ch'ih=14.1 inches English. The measure of distance is the li=360 paces or 1,894.12 feet.

*Land Measure.*

Land is generally measured by the *mau*, 26.73 square poles, English, the subdivisions being decimals. 100 mow=16.7 acres.

*Length Measure.*—The measure of length, the ch'ih, or Chinese foot, varies with the different trades in Shanghai, which differ again at most of the open ports.



Carpenter's	chih = 11.14	Eng. inches.
Mason's	" 11.08	"
Artisan's	" 12.569	"
Board of Revenue's	" 13.181	"
Tailor's	" 13 85 to 14.05	"
Custom House	" 14.098	"
Junk builder's	" 15.769 to 15 69	"

*Area Measure.*—There are three kinds of "mow." One consists of 240 square local pū, another consists of 360 square local pū, while the third consists of 720 square local pū, official standard.

*Weight Measure.*—Just as in English there are various weights, so in China, where the sh'ih varies from 280 catties for rice, 260 catties for wheat, 150 catties for barley, 120 catties for rye, 100 catties for ground nuts.

In Tientsin, Peking and Shenking, amongst other places, cash notes circulate, because convenient to handle, while they admit of no exchange of debased coinage. The ordinary denominations vary from 500 to 5,000 cash.

Capacity measure is the taw, made of wood, in shape like an inverted pyramid with the top cut off. It holds generally  $6\frac{1}{2}$  catties, or 9.67 lbs. English.

Frequent and serious have been the efforts made both by missionaries and foreign officials to obtain an approximate idea of the cost of collection of taxes in China, and any results arrived at have been rather matters of guess-work than anything else. As a rule taxes are farmed, and it follows as a natural consequence that the difference between the gross and the nett receipts varies, amongst other things, according to the rapacity of the collector, the pliability of the people, the needs of the district, the bounty of the harvest.

The chief revenue producing tax in China is the land tax: at present a burden felt by none, as the absence of agitation and unrest would suggest. For the year 1903, it is estimated to produce taels 27,000,000 for Imperial purposes at Peking, that is  $6\frac{1}{2}$  candareens, or less than 2d. per head of the population. But

of course, the sum that reaches the Central Government can be but a fraction of the initial collection.

A German authoritative statement of the revenue derived from the land puts it down as Taels 30,721,003, but the amount actually received is Taels 25,087,000, showing the very moderate cost of collection as only 17 per cent. But the real receipts cannot be ascertained as far as foreigners are concerned, because each individual province has its idiosyncratic mode of collection. For instance, not long ago, the collector of Customs at Canton had to furnish a sum of Taels 1,300,000, it being well known that the gross receipts of his office fell little short of Taels 3,000,000 annually. On what product was the exceptional demand levied? A former British plenipotentiary, Sir John Davis, attempted to make this question his own, but all that he could discover was what has all along been practically known. From the produce of taxation in each province the treasurer of that province deducts the civil and military expenses, and all outlays for public works and otherwise, remitting the surplus to Peking either in money or in kind.

The difficulty then of ascertaining the real expenses that attend the administration of the whole Empire arises from the surplus being the only point that has been clearly ascertained, as well as from a large portion of the taxation being levied on commodities, grain, silk, stores, etc. As an example of the "leakage" that occurs in the transmission of a tax—and the Virgilian precept *ex uno disce omnes* might well hold good in this connection—the instance of the case of Shasi on the Yangtsze, derived from a high foreign official source, is adduced.

"The town, Shasi, is assessed for likin at Taels 200,000, and it may be supposed that this is somewhere near the sum annually credited to the public accounts of the province. It is paid to the Futai, or Governor of Hupeh, not, as in some other provinces, to the Fantai or Provincial Treasurer." But the sum credited to public accounts differs from the amount levied in several important respects. The tax is farmed, the officials in charge being responsible for a fixed quota for each month of the year. For some months, *e.g.*, the first, the quota is fixed at a low figure; for others, *e.g.* the second, at five times as much. But

collecting officers are able to collect more than the quota in every month. This is done by frequent alterations in the tariff, so that no one ever knows how much is properly due, by grouping commodities into broad classes, levying indiscriminately on the class without enquiring into the actual value of each article, and by permitting the falsification of manifests. Thus a merchant, desiring to pass 100 piculs of produce, reports it as 50 piculs, and pays duty on it as 70 piculs, for which consideration the local collector passes the remaining 30 piculs free. As a similar system prevails from one step to the next through a hierarchy of offices, it is currently believed that only 10 per cent ! of the likin ever reaches the Provincial Treasury for application to public purposes. This may be an extreme case, but it is significant of the principle that pervades the whole system of taxation. By analogy, the land tax, which last year produced Taels 62,500,000 for public purposes, should be the residue of an original total of Taels 265,000,000. Briefly, then, eliminating the Taels 17,000,000 collected by the foreign inspectorate of Customs, which, of course, is above suspicion, the gross revenue of China last year might reasonably be estimated to have been five times as great as the Taels 71,000,000 paid into the Imperial Exchequer.

Native officialdom is not likely to throw any light upon this interesting question of the cost of collection of taxes, and any other statements concerning it can only be accepted as the offspring of surmise and speculation.

INTERIOR TRADE ROUTES.

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As foreigners can now travel in all parts of China, either for business or pleasure, it will be of interest to note some of the old and more important interior routes which travel and trade must still follow, notwithstanding that the railroad is pointing out new ways which will, ere a great while, unite the different parts of the Empire by shorter and quicker means for transporting passengers and freight. There are several excellent maps of China which show the lines and mileage of railways already constructed and in contemplation of being constructed, and by observing one closely, the old routes, which have so long been in use by the natives, may be traced as indicated in this chapter.

Outside of the foreign settlements, with their macadamized streets, there is scarcely a road in the whole Empire that deserves to be called a road. Exception must be made of a drive some five miles in length, recently built by Chang Chi Tung at Nanking, and a few miles of roadway, built some years ago at Tientsin under the direction of Li Hung Chang, the

beginning of a highway to Peking. The road through the pass from Nan-keo to the Great Wall is also fairly well built and kept in tolerably good condition.

The ordinary road is a mere path, generally undefined by ditches or hedges, winding through the paddy fields or over the uplands, wherever the traveller can find the fewest obstacles to his progress. In the North, where carts are used, it is a common thing to see a new track cut right across a field of growing wheat in spite of the efforts of the owner to prevent it. A few attempts have been made at various times in the past to construct good roads, such as, those from Tung-chow to Peking, Hanchung to Chingtu, and from Nanking to Funyang, but for lack of proper repairs they were soon permitted to fall into ruin. The road from Nanking to Funyang, 120 miles in length, was built by the founder of the Ming dynasty, who made Nanking his capital. It was a creditable piece of engineering. The roadway is some twenty-five feet wide, and in some places built up twelve to fifteen feet above the surrounding country. There are remains in many places of ancient pavement, but this has almost wholly disappeared, and the road is simply a bank of earth which in rainy weather becomes altogether impassable. There are three

splendid bridges on the road, built of stone, one of five, one of seven, and another of ten arches. Bridge-building is regarded as a virtue in China, and there are some fine specimens in all parts of the Empire. In the neighbourhood of the cities in central China the roads are partially covered with a pavement about five feet wide, composed of old brick set on edge, with sometimes a line of cut stone in the middle for wheelbarrow traffic. On the larger rivers, which Chinese engineering skill has not been equal to bridging, there are ferries on which men and animals, carts and barrows, are carried across for a few cash. For crossing the Yangtsze, at Nanking, the fare is 35 cash (2 cents United States money) for each passenger, 100 cash (5 cents United States money) for a donkey, and 150 cash (8 cents United States money) for a horse. Considering the wages paid, these rates are exorbitant. In many places relief is hopeless, since the ferries are in the nature of monopolies protected by the local officials. In contrast with this rule is the establishment occasionally of a free ferry by charitably-disposed persons who wish to store up a little merit against the day of settling in the world to come.

At present the least possible amount of money is spent in the making or repairing of roads. Sometimes improvements are made by

private enterprise, but nothing of a substantial character is done. Where dykes are built along the banks of rivers or canals they become public thoroughfares, and as they must be kept in fairly safe condition, they may be counted amongst the best roads in the country. Under such circumstances land travel is difficult, tedious, and disagreeable. In the transport of goods there is great economic waste. In bad weather there are long and vexatious delays. The roads in the North are cut up by cart wheels into deep ruts, which minister to the wrath and agony of the traveller and the destruction of any wares of a breakable character. Eight and ten horses may be seen at times tugging at a loaded cart which, on a western highway, would be drawn by a single team. In central or southern China, except in treaty ports, the only wheeled vehicle seen is the wheelbarrow, which is used both for passengers and freight. In transporting freight, the barrow men travel in companies and aid one another over difficult portions of the road. This is also a protection against robbers, who infest certain districts. A single barrow man will sometimes wheel 400 catties (533 $\frac{1}{3}$ rd pounds). The ordinary load is 200 to 300 catties. For land travel, the principal means of conveyance are the sedan chair, the mule litter, the cart (used only in

the North), horses, mules and donkeys. The most comfortable is the chair, but the use of this is denied to ordinary people in Peking and vicinity. The most expeditious is the horse. For transportation there are barrows, pack horses, mules, donkeys and camels. Journeys are divided into stages of about 30 miles each, but the first stage on leaving a large city or the last on approaching it is always a short one, perhaps 15 or 20 miles. By forced marches a traveller can do much more than the ordinary stage, but he will find himself put to many inconveniences by being obliged to stop in small villages where no preparations are made for his entertainment. Even where such accommodations are found at the usual stopping places, they are of the rudest sort. The best are those found in the highway from Tientsin to Peking. A large courtyard, half filled with carts, is surrounded on the four sides with one storied buildings of burned or unburned brick, covered with tiles or thatch. In these buildings are found the stables, kitchen, sleeping rooms, and, on the side next the street, a tea house or shop. The bed at night and the table by day is the *kang* or brick structure, which is heated by flues passing through it. The rooms are fairly clean, sometimes papered; the fare, pork or mutton, with vegetables, is savory, and the



charges exorbitant, as compared with other parts of China, due no doubt to the great number of "globe trotters" who pass up and down, and pay whatever the "Tientsin boy" may say. Through the central provinces the inns are much less comfortable, built usually of beaten earth and covered with thatch, the floor is the native unsmoothed ground. You share your room with five or six other travellers, some of whom probably smoke opium until the small hours of the morning. The room may have a door, but is often without one. A small opening in the wall on one side is barred with a wooden lattice, which at one time was covered with paper, but this has been torn to shreds. A couple of trestles, supporting four or five narrow boards, form the bedstead, on which you spread your own bedding, to be thoroughly infested with fleas and other vermin before morning. A saucer with a spout contains a little oil, in which a bit of wick is placed, and forms the lamp. There is a rude table for your meals and a trestle for a seat. The waiter brushes the bones and leavings of your humble repast on the ground, where a hungry dog is waiting to gather them up. In the smaller villages, your animals will be stabled in your bedroom and the whole village will assemble to see you eat or go to bed.

Travel by boat is by far the most convenient and most comfortable method in the Empire. In the maritime provinces and the Yangtze Valley waterways are numerous. A number of steamship companies are running steamers regularly on the Yangtze as far as Ichang, and sometimes beyond. Boats leave Shanghai and Hankow daily, except Sunday. There is steam communication between Shanghai and Soochow and between Shanghai and Hangchow, also through the canals connecting these cities. Elsewhere, as yet, steam is forbidden and one must depend upon the native houseboats, which are of various sizes but can be made comfortable. One must be prepared to suffer long delays at times when the wind and tide are unfavorable. The cost of travel and transportation varies in different parts of the Empire.

In central China, chair bearers will receive 360 cash (20 cents) a day apiece; in the southern provinces, twice as much. A donkey, with a boy, will cost 250 cash (14 cents) per diem without food, or 200 cash (11 cents) for one who furnishes food for the beast and his driver. A horse or mule will cost 300 to 400 cash (17 to 22 cents); a wheelbarrow, for passenger and his luggage, 400 cash (22 cents). The barrow will not make over 18 to 20 miles in a

day. Mule litters cost from 50 to 75 cents per diem, and carts from 50 to 80 cents. In the central provinces, food and a place to sleep will cost 200 cash (11 cents) per diem. In the North it may cost 50 cents to \$1 Mexican (25 to 50 cents).

Boat travelling is much cheaper. On the smaller boats each person will pay 120 cash (7 cents) for one day's journey, which is about 100 li, or  $33\frac{1}{3}$ rd miles. On the larger boats, where there is no competition with steamers, as on the Grand Canal, 185 cash (10 cents) a stage is asked, and where there is competition with steamers this is cut down to 133 cash (8 cents). In addition, one must pay wine money and incense money, the latter to propitiate the gods and secure good weather. Food on the boats is usually extra, and costs some 35 cash (2 cents) a meal for rice. The passenger tariff on the river steamers depends upon the amount of competition. At present native fares on the Yangtze are very low, about 50 cents for every 100 miles. This includes two meals a day. Foreign rates are about \$4.80 for 100 miles.

The cost of carrying goods varies with the means of transportation. A donkey will carry 100 to 150 catties ( $133\frac{1}{3}$ rd to 200 pounds), and will cost 200 to 300 cash ( $11\frac{1}{3}$  to 17 cents).

for each day, with extra for food for the animal and his driver. One driver will take a number of animals. A horse or mule will carry 240 to 320 pounds, and will cost 350 to 500 cash (20 to 28 cents) a day. Camels will carry still more, but are used only in the north, where the cost is about 28 to 34 cents a day. A wheelbarrow will carry, as a rule, 180 to 300 catties (240 to 400 pounds), and will make about 16 miles a day at a cost of 17 to 28 cents. Where carts are used, freight is about 25 cents per picul. The average cost by land is estimated at 290 cash (16 cents) for every picul—that is, 133 $\frac{1}{3}$ rd pounds carried 100 li (33 $\frac{1}{3}$ rd miles).

Water freight is much cheaper. A boat capable of carrying 100 piculs may be hired at 1000 cash (44 cents) a stage, or at 600 cash (34 cents) per diem. Large boats, with a capacity of 300 piculs each, can be hired at 60 to 90 cents a day. The average cost by water will be about 7 cash for each picul for 100 li, wine and incense money extra. Freight rates on steamers are not fixed, but vary from time to time. They are reasonably cheap. The principal native trade routes are the following:—From Tientsin by river to Tungchow, thence by land to Peking, or by land the whole way from Tientsin to Peking (there is now a railway between the two cities); from Peking through

the Nankeo Pass to Kalgan, and thence to Kiakhta and Siberia. There is an old road from Peking northeast into Mongolia, one branch of which leads to Shanhai-kwan and thence to Kincheo, Moukden and Kirin. But there is now a railroad from Tientsin direct to Shanhai-kwan, and as there is an open port at Newchwang, the trade of Moukden and Kirin, as well as of the Liaotung Peninsula, naturally passes in and out at this port.

From Peking there is a road to Paoting-fu and also water communication from Tientsin to that city. The great northern route runs from Paoting-fu to the West, going *viâ* Taiyuen-fu, the capital of Shansi, thence to Pucheo, on the Yellow River, which is crossed by a ferry, and from this point to Singan-fu, the capital of Shensi, and from thence to Lancheo, the capital of Kansuh, and beyond to Urumtsi, or by another route to Yarkand and Kulga.

From Taiyuen-fu a branch road goes westward, *viâ* Fungcheo and Yungningcheo, to Ninghwa, in Kansuh. From Lancheo another road goes to Chengtu in Szechuen. It is forty-eight days' journey from Peking to Lancheo, and fifty-eight thence to Chengtu. There is also an important road from Paoting-fu leading to the southwest *viâ* Shunteh-fu, and thence to

Kaifung, the capital of Honan, whence various roads diverge, the most important perhaps being *viâ* Chechiakao to Hankow, whither one may go by land or partly by land and water. Another road leads to the West from Kaifung to Tungkuan, where it joins the main line to Singan-fu, mentioned above. Another road leads South by way of Fungyang-fu in Nganhwiu to Pukeo in the Yangtsze Kiang, opposite Nanking. From Tientsin there is connection also with Shantung and the south. The Grand Canal is practically worthless in its northern portion, and from Tsining to Lintsingcheo is used by the tribute rice boats, which are annually dragged through to furnish employment to those whose interest in the traffic the Government seems unwilling to disturb. It must be understood, however, that but a small part of the tribute rice now takes this course, most of it going by steamer to Tientsin. The Yellow River, though crossing all the northern provinces, is not utilized except for local traffic, although it is said by competent engineers that it can be made navigable as far as Kaifung-fu.

From Chefoo there are roads inland to Weihsien, Laicheo, Tsingcheo, and the capital of Shantung province, Tsinan-fu, where connection is made with other roads North and South.

The great artery of commerce is of course the Yangtze River which is navigable for some 2,000 miles. Steamers ply between Shanghai and Ichang about 800 miles. Above this point navigation is made somewhat difficult by a series of rapids, and the Chinese Government for a long time successfully opposed the introduction of steam, although the difficulties are not insurmountable and steamers run some distance beyond Ichang. The American stern-wheel boats would be able easily to ascend the rapids. A boat of this sort was indeed built for the purpose, but permission to use it was not obtained. As there is now an open port at Chungking steam communication with Szechuen has been obtained. But communication is also kept by native boats, which are dragged through the rapids by towlines hauled by men.

From Chinkiang, 156 miles from Shanghai, communication is North and South by the Grand Canal, which is available for large junks from Hangchow to Tsinkiangpu, where connection is made by the Hwai River with northern Nganhui and Cheokiakeo, the great distributing center of Honan. This is the most natural route to these districts, but owing to the heavy likin charges the greater part of the traffic goes *via* Hankow or across from Nanking overland. In fact, much traffic is diverted from all the main

channels by likin charges, and a great deal of distribution is done by byepaths. An extension of the canal supplies good navigation to Tsining in Shantung, and rice boats, as said before, are taken clear through to Peking. A perfect network of waterways, partly natural and partly artificial, in Kiangsu, is connected with the Grand Canal and the Yangtze, and furnishes cheap and comfortable communication with all parts of that province.

From Nanking, a caravan route extends from Pukeo, on the North side of the river, to Funyang-fu, 120 miles, with connection beyond to the North and northwest, connecting with the Hwai River route, and farther on with the great northern road to the western provinces.

From Wuhu there are waterways inland both North and South. From Kiukiang, *via* the Poyang Lake, there is good water communication with Nanchang-fu, the capital of Kiangsi, and thence overland by the Meiling Pass to Nanhiung Cheo in Kwangtung, from which there is water communication by the eastern branch of the North River. Before the development of steamship traffic, by the opening of the treaty ports, trade between the central provinces and Canton all went by this route. From Kiukiang northward, there is a highway



to Lucheo, where connection is had with Nganking on the one side and northern Nganhwui on the other.

Connection between the Yangtsze Valley and the South is also had *viâ* the Siang River to Ningyuen Hsien, and thence overland by two routes, one into Kwangsi and the other to Lincheo in Kwangtung and by the North River to Canton.

Through the Tungting Lake, by the Chang River, communication is made with the provinces of Kweichou and Yunnan.

The most important center on the Yangtsze doubtless is Hankow, whence there is an overland route north-east into Honan and thence to Peking, and a water route *viâ* the Han and T'ang Rivers to the same region.

A very important trade route is from Hankow by the Han River to Lao-ho-keo and thence by boat to Kingtsih-kuan, and from there by mule over the mountains to Singan-fu, where connection is made with the roads mentioned above. The principal trade route into Szechuen is naturally by the Yangtsze, but from Chungtu there are roads branching in various directions: one, called the Great South Road, leads to Yachou, two days beyond which place, at Tsingli Hsien, it divides, one branch going West to Tatsienlu, Litang, and on *viâ*

Batang to Lhasa, the capital of Thibet, 1,500 miles from Chingtu, the second branch connected with Yunnan by the valley of the Kienkiang.

The Great East road connects Chengtu with Chungking, 340 miles. The Great North road leads to Singan and thence to Peking. The West road furnishes communication with Sungpwan and Kokonor.

From Chungking, there is connection by water with Lucheo-fu, whence there is an important overland route to the capital of Yunnan. At Lucheo it is joined by a road to Chungtu. A more popular route to the north-east from Yunnan-fu is by Kweiyang, the capital of Kweichow, through Chengyuan on the river Chang, down through Honan to the Yangtsze, a route referred to above.

From Yunnan-fu, the chief trade route is overland *via* Mengtsze to Manhao and thence by boat to Laokai, and from that point down the Red River to Haiphong, in French Tonkin. It is twenty-one days by this route from Yunnan-fu to Haiphong. This is the most natural route from the South to Szechuen.

The old tribute road from Burma to Peking passes through Yunnan-fu, coming from Bhamo by way of Tengyueh and Tali-fu. It is about 350 miles from Yunnan-fu to Tengyueh and seven days from the latter place to Bhamo.

This route has been proposed for trade with British Burma, but is regarded as an impossible one by some of those who have been over it, owing to the natural difficulties. It crosses nine distinct mountain ranges by lofty passes accessible only by very steep paths. Engineers have, nevertheless, indicated a practicable route for a railway in this direction. A better route is said to exist by the Irrawaddy, from whose head waters there is easy connection with the highway from Lhasa to Chingtu.

From Mengtsze, there is another route of importance, which connects with Canton by way of the West River. It is 350 miles from Mengtsze to Poknay, the head of navigation on the left branch of the West River, whence a boat journey of a month or more will bring one to Canton. From Poknay there is connection also with Kweichow. By leaving the West River below Nanning-fu at Nanhsiang, a land journey of three days and a water journey of seven more will bring one to Pakhoi. The West River seems the most easy and practicable route to this region, but here, as elsewhere, undue exactions in the way of likin dues have diverted the bulk of the trade into other and more difficult routes. From Wucheo, on the West River, there are land routes to Kweilin and Nanning, and from Nanning

to Peiseh and Lungcheo, whence there is connection overland through Tonkin to Haiphong. The foreign goods for Lungcheo, Nanning and Peiseh come mostly from Pakhoi instead of by the natural route, *via* the West River, from Canton.

From Pakhoi to Nanning, by the usual trade route, is 260 miles, all but 53 miles of which may be made by water. From Nanning to Peiseh is 283 miles by water, and thence one can go directly to Yunnan-fu, which is 600 miles by land. The French have secured a concession for the construction of a railway from Lungcheo to Chengnaokuan, where it will connect with the Tonkin system of railways, this will give the French port some advantage over Pakhoi.

The above general summary places before the reader some of the principal trade routes over which the Chinese carried their produce and merchandise long before the beginning of the Christian Era.

## EDUCATIONAL SYSTEM.

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The attachment to ancient customs and respect for authority, which are leading characteristics of the Chinese, are the result of their educational system; and in the writings of no one are these principles inculcated as first duties with such earnestness as in the writings of Confucius.

It may be said that the educational system of China is based on the writings of Confucius, and that as fast as the Chinese mind develops Confucian precepts are instilled; and these precepts shape and govern the moral and political future of the Chinese boy and man.

• In order, therefore, to have some insight into the mental condition of the Chinese, and the reason for acts that would otherwise appear incomprehensible, this chapter will be devoted to a general examination of the chief branches of instruction in their schools, and to a few extracts from the writings of Confucius, and which, in justice to the reader, should be presented as translated and summarized from the clear language of Huc.

The chief branch of instruction in the Chinese schools is that of reading and writing, or painting, the Chinese characters. To exercise the hand of the pupil, they oblige him to practice, first the elementary forms that enter into the composition of the letter, and then to proceed gradually to more complicated combinations. When he can make a firm and easy stroke with the pencil, then beautiful examples of various styles of writing are given him to copy. The master corrects the work of the pupil in red ink, improving the badly drawn characters, and pointing out the various beauties and imperfections in the copy. The Chinese set great value on fine writing; and a good calligrapher, or, as they say, "an elegant pencil," is always much admired.

For the knowledge and good pronunciation of the character, the master, at the beginning of the lesson, repeats a certain number to each pupil, according to his capacity. They then all return to their places, repeating their lessons in a chanting tone, and rocking themselves backwards and forwards. The uproar and confusion of a Chinese school, in which every pupil is vociferating his own particular monosyllables in his own particular tone without at all troubling himself about his neighbor, may easily be imagined. Whilst they are thus chanting and

rocking about, the master of the school, like the leader of a band, keeps his ears pricked, and attentive to all that is going on, shouting out his amendments from time to time to those who are missing the true intonation. As soon as a pupil thinks he has his lesson perfectly impressed on his memory, he goes up to the master, makes a low bow, presents his book, turns his back, and repeats what he has learnt. This is what they call *pey-chou*, "turning the back on book," that is, saying a lesson.

The Chinese character is so large, and so easy to distinguish, even at a great distance, that this method does not appear superfluous, if the point is to ascertain whether the pupil is really repeating from memory. The bawling and rocking themselves about is considered to lessen the fatigue of study.

The first book that is placed in the hands of scholars is a very ancient and popular work, entitled *San-dze-king*, or Sacred Trimetrical Book. The author has named it thus because it is divided into little couplets, each verse of which is composed of three characters or words. The hundred and seventy-eight verses contained in the *San-dze-king* form a kind of encyclopædia, in which children find a concise and admirable summary of the chief branches of knowledge that constitute Chinese science.

It treats of the nature of man, of the various modes of education, of the importance of the social duties, of numbers and their origin, of the three great powers, of the four seasons, of the five cardinal points, of the five elements, of the five constant virtues, of the six kinds of corn, of the six classes of domestic animals, of the seven dominant passions, of the eight notes of music, of the nine degrees of relationship, of the ten relative duties, of studies and academical compositions, of general history and the succession of dynasties, and the work concludes with reflections and examples on the necessity and importance of study in general. It may be well imagined that a treatise of this kind, well learnt by the pupils, and properly applied by the master, must greatly develop the intellects of Chinese children, and favor their natural taste for the acquisition of serious and positive knowledge. The *San-dze-king* is worthy in all respects of the immense popularity it enjoys. The author, a disciple of Confucius, commences with a distich, the profound and traditional sense of which is very striking, Jen-dze-tsou-sin-pen-chan, "Man in the beginning was of a nature essentially holy." But it is probable that the Chinese understand very little the tendency and the consequences of the thought expressed in these two lines.



After the trimetrical encyclopædia the *Sze-chou*, or Four Classical Books, are placed in the hands of the pupils. Of these, here is a brief idea: The first is *Ta-hio*, or Grand Study: a kind of treatise on politics and morals, composed from the very concise text of Confucius by one of his disciples; and the grand principle inculcated in it is self-improvement. These are the words of Confucius.

### I.

“The law of the Grand Study, or practical philosophy, consists in developing the luminous principle of reason, which we have received from Heaven, for the regeneration of man, and in placing his final destiny in perfection, or the sovereign good.

### II.

- “We must first know the goal towards which we are tending, or our definitive destination.
- This being known, we may afterwards maintain the calmness and tranquility of our minds. The mind being calm and tranquil, we may afterwards enjoy that unalterable repose which nothing can trouble. Having then attained to the enjoyment of the unalterable repose which nothing can trouble, we may afterwards meditate and form our judgment on the essence of things: and having formed our judgments of the essence of things, we may then attain to the desired perfection.

## III.

"The beings of nature have causes and effects: human actions, principles and consequences. To know causes and effects, principles and consequences, is to approach very nearly to the rational method by which perfection is attained.

## IV.

"The ancient princes who desired to develop in their states the luminous principles of reason that we have received from Heaven, endeavoured first to govern well their kingdoms: those who desired to govern well their kingdoms, endeavoured first to keep good order in their families: those who desired to keep good order in their families, endeavoured first to correct themselves: those who desired to correct themselves, endeavoured first to give uprightness to their souls, endeavoured first to render their intentions pure and sincere, endeavoured to perfect as much as possible their moral knowledge, and examine thoroughly their principles of action.

## V.

"The principles of actions being thoroughly examined the moral knowledge attains the highest degree of perfection: the moral knowledge having attained the highest degree of perfection, the intentions are rendered pure and sincere:

the intentions being rendered pure and sincere, the soul is penetrated with probity and uprightness, and the mind is afterwards corrected and improved, the family is afterwards better managed: the family being better managed, the kingdom is afterwards well governed: and the kingdom being well governed, the world enjoys harmony and peace.

## VI.

"All men, the most elevated in rank as well as the most humble and obscure, are equally bound to perform their duty. The correction and amelioration of one's self, or self-improvement, is the basis of all progress, and of all moral development.

## VII.

"It is not in the nature of things but that whatever has its basis in disorder and confusion, should also have what necessarily results from that. To treat lightly what is the principal or most important thing, and seriously what is secondary, that is a method of action we ought never to follow."

As before stated, the *Book of the Grand Study* is composed of the preceding text, with a commentary in ten chapters by a disciple of Confucius. The commentator exerts himself especially to apply the doctrine of his master to political government, which Confucius defines as

what is just and right, and which he supposes founded on the consent of the people. The formula in the *Grand Study* is as follows:—

“Obtain the affection of the people, and thou wilt obtain the empire: Lose the affection of the people, and thou wilt lose the empire!”

The *Book of the Grand Study* concludes in these words:—

“If those who govern states only think of amassing riches for their personal use, they will infallibly attract towards them depraved men: these depraved men will make the sovereign believe that they are good and virtuous: and these depraved men will govern the kingdom. But the administration of these unworthy ministers will call down the chastisement of Heaven, and excite the vengeance of the people. When matters have reached this point, what ministers, were they ever so good and virtuous, could avert misfortune? Therefore, those who govern kingdoms ought never to make their private fortune out of the public revenues: but their only riches should be justice and equity.”

The second classical book, *Tchoung-young*, or the Invariable Centre, is a treatise on the conduct of wise men in life. It has been edited by a disciple of Confucius, according to instructions received from the lips of the master

himself. The system of morals contained in this book is based on the principle that virtue is always at an equal distance from two extremes. This harmonious centre is the source of the true, the beautiful, and the good.

## I.

"The disciple Sze-lou inquires of his master concerning the strength of man.

## II.

"Confucius replies: 'Is it concerning manly strength in northern or southern countries that you wish to inquire? Is it of your own strength?'

## III.

"To have gentle and benevolent manners for the instruction of men—to have compassion towards those madmen who revolt against reason,—this is the manly strength proper to southern countries: it is that which the wise endeavor to attain.

## IV.

"To make one's couch on steel blades and skins of wild beasts,—to contemplate without shuddering the approach of death—this is the manly strength proper to northern countries, and it is that which the brave endeavor to attain.

## V.

"But much stronger and much grander is the power of soul belonging to the sage who

lives always at peace with men, and who does not allow himself to be corrupted by passion. Much stronger and grander is the power of soul in him who keeps always in the straight path, equally distant from two extremes. Much stronger and grander is the power of soul in him who, when his country is in the enjoyment of a good government, which is his work, does not allow himself to be corrupted or blinded by a foolish pride. Much stronger and grander is the power of the soul in him who, when his country, being lawless, has not a good government, remains immovable in his virtue till death."

Confucius, in his Invariable Centre, as in his other treatises, endeavors to apply his ethical principles to politics. These are the conditions on which he allows to sovereigns the right of governing nations and giving them institutions:—

#### I.

"It is only the man supremely holy, who, by the faculty of knowing thoroughly, and comprehending perfectly, the primitive laws of living beings, is worthy of possessing supreme authority and commanding men,—who, by possessing a soul, grand, firm, constant, and imperturbable, is capable of making justice and equity reign, who, by his faculty of being always

honest, simple, upright, grave and just, is capable of attracting respect and veneration,—who, by his faculty of being clothed with the ornaments of the mind and the talents procured by assiduous study, and by the enlightenment that is given by an exact investigation of the most hidden things and the most subtle principles,—is capable of discerning with accuracy the true from the false, and good from evil.

## II.

“His faculties are so ample, so vast, so profound, that he is like an immense spring, whence all issues in due season.

## III.

“They are vast and extensive as the heavens; the hidden source whence they flow is deep as the abyss. Let this man supremely holy appear with his virtue and his powerful faculties, and the nation will not fail to have faith in his words. Let him act, and the nation will not fail to be in joy.

## IV.

“It is thus that the renown of his virtues will be like an ocean, inundating the empire in every part. It will extend even to the barbarians of the north and south. Wherever vessels or chariots can reach—wherever the power of human industry can penetrate,—in all the places which the heavens cover with their

immense canopy,—on all points that the earth contains, which the sun and the moon enlighten with their rays,—which the dew and the clouds of morning fertilize,—all human beings who live and breathe can never fail to love and to revere him."

The third classical book, *Lun-yu*, or Philosophical Conversations, is a collection of maxims put together in rather a confused manner, and of recollections of the discourses of Confucius with his disciples. Among a great number of common-places on morals and politics, are some profound thoughts, and some curious details concerning the character and manners of Confucius, who seems to have been something of an original. Thus the *Lung-yu* informs us that the master, in introducing his guests, kept his arms stretched out like the wings of a bird; that he would never eat meat that was not cut in a straight line; that if the mat on which he was to sit down was not regularly placed, he would not take it; that he would point to nothing with his fingers, etc.

Finally, the fourth classical book is that of Meng-tze, or Mencius, as he is called by Westerners. This work, divided into two parts, contains the summary of the counsel addressed by that celebrated philosopher to the princes



of his time and his disciples. Mencius has been decorated by his countrymen with the title of Second Sage, Confucius being the first; and they render to him, in the great Hall of the Learned, the same honors as to Confucius. This is what a Chinese author says of the Book of Mencius:—"The subjects treated in this work are of various natures. In one part are examined the virtues of individual life and of domestic relations; in another the order of affairs. Here are investigated the duties of superiors, from the sovereign to the lowest magistrate, for the attainment of good government. There the toils of students, laborers, artisans, and traders, are exhibited; and in the course of the work the laws of the physical world, of the heavens and the earth, the mountains and rivers, of birds, quadrupeds, fish, insects, plants and trees, are occasionally described. A great number of affairs that Mencius managed, in the course of his life, in the intercourse of his life, in his intercourse with men, his occasional discourses with people of rank, his instructions to his pupils, his explanations of books, ancient and modern,—all these things are incorporated in this publication.

"It is a collection of historical facts and of the words of ancient sages, uttered for the instruction of mankind."

M. Abel Remusat has thus characterized the two most celebrated philosophers of China :—

“The style of Meng-tze, less elevated and less concise than that of the Prince of Letters, Confucius, is more flowery and elegant, and also not deficient in nobleness. The form of dialogue, which he has preserved in his philosophical conversations with the great persons of his time allows of more variety than one can expect to find in the apothegms and maxims of Confucius. The character of their philosophy also differs widely. Confucius is always grave, even austere. He extols the virtuous, of whom he draws an ideal portrait, and only speaks of the vicious with cold indignation. Meng-tze, with the same love of virtue, seems to have more contempt for, than hatred of, vice. He attacks by the force of reason, and does not disdain even to employ the weapon of ridicule. His manner of arguing approaches the irony attributed to Socrates. He does not contend with his adversaries, but endeavors, while granting their premises, to draw from them absurd consequences, that he may cover them with confusion. He does not even spare the princes and great men of his time, who often only feigned to consult him, in order to have an opportunity of boasting of their conduct, or to obtain from him eulogiums

that they supposed themselves to merit. Nothing can be more piquant than the answers he sometimes gives them on such occasions, and nothing more opposed to the too generally entertained opinion of the baseness and servility of Orientals, and especially of the Chinese.

"Meng-tze does not resemble Aristippus so much as Diogenes, but without violating decency and decorum. His liveliness does sometimes appear of a rather too tart a quality, but he is always inspired by zeal for the public good.

"The pupils in Chinese schools learn these books at first by heart, without troubling themselves with the sense or meaning of the author: and if they attach any ideas to his words they are indebted merely to their own sagacity. It is only when they are capable of repeating the whole, from one end to the other, that the master sets to work, with the assistance of innumerable commentaries, to develop the text, word by word, and give the necessary explanations: and the philosophical opinions of Confucius and Meng-tze are then expounded, in a manner more or less superficial, according to the age and sagacity of the pupil."

After the four classical books, the Chinese study the five sacred books, *King*, which are the most ancient monuments of Chinese

literature, and contain the fundamental principles of the earliest creeds and customs. The first in date, the most renowned, but the least intelligible of these sacred books is the Book of Changes, *Y-King*. This is a treatise on divination, founded on the combinations of sixty-four lines (some entire, others broken) and called *koua*, the discovery of which is attributed to Fou-hi, the founder of Chinese civilization. Fou-hi is said to have found these mysterious lines, which he says are capable of explaining all things, on the shell of a tortoise. But Confucius, whose capacity and talents were so extraordinary, studied these enigmatical *koua* very assiduously and went through much labor in editing the *Y-King*, without being able to throw much light upon the matter. After Confucius, the number of writers who have had the weakness to occupy themselves seriously with the *Y-King*, is almost incredible. The Imperial Catalogue enumerates more than 1,450 treatises, in the form of memoirs, or commentaries, upon this famous but whimsical work.

The *Chou-king*, or Book of History, is the second sacred book. Confucius has collected in this important work the historical recollections of the first dynasties of China as far as the eighth century before our era. It contains the speeches addressed by several emperors of these

dynasties to their great officers, and furnishes a great number of precious documents concerning the first ages of the Chinese nation.

The third sacred book is the *She-king*, or Book of Verses; a collection, made also by Confucius, of ancient national and official songs, from the eighteenth to the third century before our era; and there is found in it very interesting and authentic information on the ancient manners of China. The Book of Verses is often quoted and commented on in the philosophical writings of Meng-tze and of Confucius, who recommends it to his disciples. He says, in the *Lun-yu*, "My dear disciples, why do you not study the Book of Verses? The Book of Verses is proper for elevating your sentiments and ideas; it is fitted for forming your judgment by the contemplation of things; it is good for uniting men in mutual harmony, and for exciting regret without resentment."

The fourth sacred book is the *Li-ki*, or Book of Rites. The original was lost in the conflagration of ancient books ordered by the Emperor Thsin-che Hoang, at the end of the third century before our era. The present ritual is a collection of fragments; the most ancient of which do not appear to date from an earlier epoch than that of Confucius.

Finally, the fifth sacred book is the *Tchun-thsiou*, or the Book of Spring and Autumn, written by Confucius, and which takes its name from the two seasons of the year in which it was commenced and finished. It contains the annals of the little kingdom of Lou, the native country of this philosopher, from the year 292 to 480 before our era. Confucius wrote it to recall the princes of his time to respect for ancient customs, by pointing out the misfortunes that had happened to their predecessors since these customs had fallen into disuetude.

These five sacred and four classical books are the basis of all science among the Chinese. What one finds in them is, it must be confessed, but little suited to the taste or wants of Westerners. It would be vain to seek in them for scientific ideas; and, with some truths of great importance in politics and morals, one is confounded by finding mingled the grossest errors and the most absurd fables. Chinese instruction, nevertheless, taken on the whole, tends wonderfully to create in the mind an attachment to ancient customs, and a profound respect for authority; two things which have always been the twin pillars of Chinese society, and which alone can serve to explain the duration of their ancient civilization.

EXTRA-TERRITORIALITY.

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It is the general doctrine of international law that, by virtue of its territorial sovereignty, a state possesses jurisdiction over the person and property of foreigners found upon its land and waters, and that it is responsible for acts done within its boundaries by which foreign states or their citizens are affected. But, in the treaties with Western nations, China has surrendered the doctrine which gives a sovereign state jurisdiction over the person and property of foreigners within its territorial limits, although admitting herself still responsible for whatever affects such person and property.

This right, which international law recognises as belonging to a sovereign state, China has surrendered in the treaties, and as a consequence the person of foreigners, and the property owned by foreigners, upon the land and waters of China, are exempt from the operation of Chinese laws and are as much under the jurisdiction of their respective nations as if not in China.

To make plain the subject of this paper I will select the city of Shanghai, which is situated in the Empire of China, and briefly point out the main principles of its government, and if the reader will follow me I believe he will readily understand what is meant by extra-territoriality.

The city of Shanghai is about twelve miles from the mouth of the Whangpoo River, and when Shanghai was made an open port China agreed that certain territory bordering the river and contiguous should be set apart for foreign business and for the residence of foreigners, and under the agreement the government of France laid off a settlement, which is under the municipal control of that government, while some of the other Western nations acted in concert and have a settlement known as the International Settlement. But foreigners going to Shanghai to live or to carry on business are privileged to reside on either settlement, and the International Settlement is not under the exclusive municipal control of any particular government, as the French.

As indicated, there is a Municipal Council and a municipal police for each of the settlements named, and the former is elected by the qualified voters thereof. There are regulations peculiar also to each settlement



providing the qualification for a member of the Municipal Council as well as the qualification of a voter, and further providing how property in a settlement shall be assessed, the ratio of taxation, and how taxes shall be collected. As a further provision against the exercise of too wide a discretion by a Municipal Council the fiscal budget must be annually submitted to the tax-payers in general meeting for approval, and no expenditure is legal without such approval.

Thus it is seen that a foreigner, residing on either of the settlements at Shanghai, has his property wholly exempt from any fiscal regulation of the government of China, except a very small land-tax, and that whatever burdens in the nature of taxes may be imposed, is imposed by and with his consent and under regulations which have his approval. The Chinese Government has practically no part whatever in the imposition or the collection of taxes on foreign owned property within the limits of the settlements at Shanghai, or any other open port of the Empire.

And the police forces of the settlements are also free from the control or interference of the Chinese authorities. Each settlement has its own police force which is appointed by and is under the direction of the Municipal Council of such settlement. The Chinese government

has no authority whatever to make an arrest in the settlement, and this is true whether the offender be a subject of the Emperor of China or a foreigner.

But the Consular Body is superior in authority to the Municipal Council and is composed of the consular representatives of foreign nations at Shanghai. In fact, the authority with which each consular representative is invested by the treaties is the origin and foundation of extra-territoriality as applied to China, and, in order that this division of the subject may be better understood, the authority of one consular representative will be examined, as each has about the same authority.

No American citizen at the port of Shanghai can be arrested and tried or convicted for any offense except by and through the action of the Consul-General of the United States of America. Whether an American citizen commits a criminal offense, or is amenable to a civil process, there is no officer of China or of any other nationality in China that has jurisdiction, except the Consul-General of the United States, and the only warrant or summon such American citizen is compelled to obey must have the signature of the Consul-General of the United States, and should be executed by the United States Marshal. The Court of the Consul-

General is a United States Court, and, although, sitting in the Empire of China, has the jurisdiction and possesses the same power over American citizens in China as a United States Court would have sitting in any city of the United States.

That the person and property of a foreigner may be secure under the jurisdiction of his consular or diplomatic representative, the regulations by which a Municipal Council shall be guided must have the approval of such consular and diplomatic representative before becoming effective.

The settlements are further protected from the authority of China to the extent that, if China should wish to arrest one of her own subjects residing in a settlement, such subject could not be arrested until the warrant for the arrest had been presented to the senior consular representative and countersigned by him. But if the Chinese thus sought to be arrested was in the employment of a foreigner the warrant would, in that case, have to be presented to the consular representative of such foreigner and approved by him and then countersigned by the senior consular representative. And after China had conformed to the above requirements, the arrested Chinese would still have the accusation against him heard and

passed upon under the supervision of a foreign consular officer in a tribunal known as the Mixed Court.

There is a Mixed Court for each of the two Settlements with original and exclusive, and, in some cases, final jurisdiction. In the French Settlement the Mixed Court is presided over by a Chinese Magistrate and an officer from the Consulate-General of France, and no officer from any other foreign Consulate-General is permitted, except by the courtesy of the Consul-General of France, to sit in that Court. But the Mixed Court that holds its session in the International Settlement, while presided over by a Chinese Magistrate, the foreign consular officer who also presides is not restricted to any one Consulate-General. Generally the foreign consular officers who preside with the Chinese Magistrate in the Mixed Court of the International Settlement are from the Consulates-General of Great Britain, Germany and the United States, and these three officers have an understanding as to the day when one or the other shall preside. There is, however, this exception:—should a case be before the Mixed Court on the day when the British or German officer presided, and which involved the interest of a citizen of the United States, such a case would be continued in order that the officer

from the Consulate-General of the United States might preside, and *vice versa*. The Mixed Court is in session every day, except Sunday, the morning session being mostly devoted to the disposal of police cases, and the afternoon session to the trial of civil cases.'

As the French and International Settlements adjoin, it was necessary to have rules defining the extent of the jurisdiction of the two Mixed Courts, and such rules were framed by the Consular Body, with the approval of the Diplomatic Body in Peking, and are as follows:—

1. "In all civil cases between Chinese the plaintiff will follow the defendant, and will sue him before the Mixed Court of his, the defendant's, residence.

2. "In all criminal cases where foreigners are not concerned and in all police cases against Chinese residents in the Settlements, the Mixed Court of the Settlement in which the crime or contravention has been committed is alone competent.

3. "In mixed civil cases:—

- (a) "If the plaintiff is a foreigner, not of French nationality, and the Chinese defendant is a resident of the International Settlement, he is to be sued before the Mixed Court of the International Settlement.

(b) "If the plaintiff is French and the Chinese defendant is a resident of the French Settlement he is to be sued before the Mixed Court of the French Settlement.

(c) "If the plaintiff is a foreigner, not of French nationality, and the Chinese defendant is a resident of the French Settlement the latter shall be sued before the Mixed Court of the International Settlement, whose warrant or summons for his appearance, after countersignature by the French Consul-General, will be executed or served by the runners of the International Mixed Court with the assistance of the police of the French Settlement, without previous hearing in the Mixed Court of the French Settlement.

(d) "If the plaintiff is French and the Chinese defendant is a resident of the International Settlement the latter shall be sued before the Mixed Court of the French Settlement, whose warrant or summons for his appearance, after countersignature by the Senior Consul, will be executed or served by the runners of the French Mixed Court with the assistance of the police of the International Settlement, without previous hearing in the Mixed Court of the International Settlement.

4. "In criminal cases where a foreigner, not of French nationality, is complainant, the

Mixed Court of the International Settlement is competent; if a Frenchman is the complainant, the Mixed Court of the French Settlement is competent."

If the foreigner, against whom a warrant or summons has been issued, has no consular representative, such warrant or summons, before it can be legally executed, should be countersigned by the senior consular representative, and then the foreigner will be brought before the Mixed Court; as defined by the rules above, for trial. If the foreigner resides in the French Settlement it would be necessary to have the warrant approved by the Consul-General for France.

Foreigners residing in the interior of China, such as missionaries, and outside of the limits of settlements at the open ports, are not therefore subject to the jurisdiction of China. When foreigners so residing violate the laws of China they may be apprehended and brought before their nearest consular representatives, but the usual rule is for the offense to be brought to the attention of the consular representative of the foreigner, who will take such action as the circumstances of the case demand.

Foreign owned property is as secure at the open ports of China as anywhere in the world,

and there is no city under a more efficient municipal government than the city of Shanghai. At all the open ports, where there is a municipal government with foreigners in control, there is the same security for life and property as there is in the best governed cities of Western Nations.

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NOTE.—The following provision from the treaty between Great Britain and China is known as the Extra-territoriality Clause, and appears as a part of Section 2 of the Chefoo Convention :—

The British Treaty of 1858, Article XVI, lays down that “Chinese subjects who may be guilty of any criminal act towards British subjects shall be arrested and punished by Chinese authorities according to the laws of China.

“British subjects who may commit any crime in China shall be tried and punished by the Consul, or any other public functionary authorised thereto, according to the laws of Great Britain.

“Justice shall be equitably and impartially administered on both sides.”

The words “functionary authorised thereto” are translated in the Chinese text “British Government.”

“In order to the fulfilment of its Treaty obligation, the British Government has established a Supreme Court at Shanghai, with a special code of rules, which it is now about to revise. The Chinese Government has established at Shanghai a Mixed Court; but the officer presiding over it, either from lack of power or dread of unpopularity, constantly fails to enforce his judgments.

“It is now understood that the Tsung-li Yamen will write a circular to the Legation, inviting Foreign Representatives at once to consider with the Tsung-li Yamen the measures needed for the more effective administration of justice at the ports open to trade.

“It is agreed that, whenever a crime is committed affecting the person or property of a British subject, whether in the interior



or at the open ports, the British Minister shall be free to send officers to the spot to be present at the investigation.

"To the prevention of misunderstanding on this point, Sir Thomas Wade will write a note to the above effect, to which the Tsung-li Yamen will reply, affirming that this is the course of proceeding to be adhered to for the time to come.

"It is further understood that so long as the laws of the two countries differ from each other, there can be but one principle to guide judicial proceedings in mixed cases in China, namely, that the case is tried by the official of the defendant's nationality; the official of the plaintiff's nationality merely attending to watch the proceedings in the interest of justice. If the officer so attending be dissatisfied with the proceedings, it will be in his power to protest against them in detail. The law administered will be the law of the nationality of the officer trying the case. This is the meaning of the words *hui t'ung*, indicating combined action in judicial proceedings, in Article XVI of the Treaty of Tientsin; and this is the course to be respectively followed by the officers of either nationality."

STRATEGICAL POSITIONS.

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When Warren Hastings was the representative of British interest in India he sent a mission to the Teshu Lama and arranged for a trade route between Bengal and Thibet. This was in 1774, but Hastings was recalled from India and his plan continues in abeyance.

In 1885 it appeared that the British Government was about to recognize the foresight of Hastings by organizing a mission to be sent to Lhasa for the purpose of opening trade routes between India and Thibet, but when the mission was within a few days' journey of the Thibetan capital it was ordered to return. .

An intimation from China that the object of the mission would be considered unfriendly, if it proceeded to the Capital of Thibet, caused the order for its return. At that time Great Britain was impressed with the greatness of the Chinese Empire and was not disposed to arouse latent energies which were believed to be immeasurable in resources and strength, and thus the opportunity was again thrown away.

Not only have recent developments proved the weakness of China, but they have demonstrated the foresight of Hastings, for, had his plans been matured, Russia would not now be in Manchuria and Mongolia and hovering over India in the threat to occupy Thibet,

With Thibet thrown open to settlement from India, a railway would place Calcutta within three days travel of the Thibetan plateau, which would solve the sanitary problem of India, and British soldiers, stationed along the foothills of the Himalayas, would be forever exempt from the deadly pestilence of India.

It has been a century since the cruelty and rapacity of Hastings were themes for the invectives of the orator, but, whatever his faults, the comprehensive grasp of his statesmanship is conceded by the verdict of history.

Hastings administered in India under circumstances that were not accurately understood by many who judged him, and what appeared as cruel and rapacious may have been extenuated by a better knowledge of their bearing upon the preservation of human life and the advancement of civilization. The Sirdar is censured for exhuming the body of the Mahdi, burning it and scattering the ashes to the winds and waters, but if the act quiets the superstitious fervor of the Mahdi's followers

and causes them to follow peaceful pursuits, its apparent vandalism will find extenuation in its necessity.

The importance of Thibet in commercial strategy bears upon both India and China. It is the heart of Asia and the roof, as it were, of the world, forming the nucleus of the Asiatic continent and from which depend the lower lying countries of India, Burmah, Siam, Cochin China on the South, China proper on the East, and the Tarin Basin with East Turkestan on the North. Higher above the sea than the countries named, the rivers that water them all have their sources in the Thibetan plateau. There are the Indus, the Ganges, and the Bramaputra, all flowing through India and debouching into the Indian Ocean on the South, with the Irrawaddy and the Salween flowing through Burmah into the Bay of Bengal. The Mekong crosses Upper Siam and Cochin China, and taking a south-west course, flows into the China Sea near Saigon, and the Red River of Tonkin rises in the Chinese province of Yunnan, which is itself a high tableland and peninsular extension of the Thibetan plateau.

It is thus seen that an enterprising commercial nation in possession of Thibet would command the sources of the great rivers that water the plains of Asia and could follow

these mile marks which point the way of Asiatic commerce to the sea. It would be a strategical position from which the military and commercial movements of all Asia could be watched, and should be occupied, if occupied at all, by the Anglo-Saxon race.

With special reference to the subject under consideration, two of the great rivers of China have their sources in Thibet, and, after running right athwart of eighteen Chinese Provinces from East to West, end their way into the Pacific Ocean. One of these rivers, the Yangtsze, is the longest in the eastern half of the globe and drains nearly a million square miles of territory and is 3,200 miles in length, while the other, the Hwangho, measures about 2,600 miles in length and drains nearly three-quarters of a million square miles. From the western side of Thibet both of these rivers could be commanded in addition to the trade routes that cross the eastern plains of China.

There is no position that would give greater commercial strength in China than the control of the navigation of the Yangtsze River. It would give the nation that had such control the influence in the commerce of China that the control of the Mississippi bears to the internal commerce of North America, and to fully appreciate the importance and

value of the Yangtsze Valley one has only to remember, in comparison, the importance and value of the Mississippi valley, each representing the heart of a continent, as does the valley of the Amazon.

It is estimated that the Yangtsze Valley comprises an area of 600,000 square miles and a population of 180,000,000. The interport trade of the Yangtsze River is valued at \$150,000,000, and if the natural resources of the provinces through which it flows were developed, and improved means of communication introduced, it could probably be soon valued at \$300,000,000.

Had the plan of Warren Hastings been adopted and vigorously executed by the British Government, the province of Szechuen, the wealthiest and most fertile of all the Chinese provinces, would long since have been under the influence of the Saxon merchant, and the Yangtsze Valley would not be debatable as a sphere of influence. That merchant would have entered China across the Thibetan border and descended the Yangtsze before the Russian and French could have disputed his progress at Hankow, or stopped it by the railroad from Hankow to Peking, which is under Russian influence.

Now the Saxon merchant is ascending the Yangtsze, but the situation has materially

changed, and combinations against him are probable and effective which in earlier times were not possible.

In Southern China the Si-Kiang, or West River, is the principal waterway of commerce. It rises in North-east Yunnan, and, flowing through Kueichou, Kwangsi and Kwangtung, passes the city of Canton and enters the sea by Hongkong. Although this important medium of commerce is navigable for steamers 300 miles from its mouth, it was not until June 1897 that steamers were allowed to ascend beyond Canton. At that date Wo-chow was declared a Treaty Port, and then the 218 miles between Canton and Wo-chow were opened to steam navigation.

The West River has several branches which are navigable by small boats and which pass some of the inland cities of considerable commercial importance. This river and its tributaries are the commercial outlets of Southern China, and could be made more useful as means for conveying merchandise by attention and expenditure in the removal of obstructions.

The provinces watered by the West River are not so fertile as those which border the Yangtsze, nor are they so densely populated, but some are contiguous to the most fertile lands

of China, and to command the trade of Southern China the control of its principal waterways would be essentially strategical.

Having named the two principal rivers for entering commercial China from the seaboard, and directed attention to Thibet as a land base for a similar entrance to the more northern provinces, one has only to examine the map to see that Burmah is also a land gate to China.

When Upper Burmah was annexed to Great Britain the barrier to the Saxon's approach to China from his Indian province was removed, and the north-eastern frontier of the province was placed co-terminous with China, and should make probable a connection between Burmah's great river, the Irrawaddy, and the Yangtze, the great river of China.

The connection of the Irrawaddy and the Yangtze by railway would prove the effective agency in the civilization of the Chinese Empire. One has only to mark on the map a line from the navigable source of the Irrawaddy through the provinces of Yunnan and Szechuen until it reaches the Yangtze, and no other statement will be necessary to evidence the commercial and political strength of such a position. The nation that occupied and controlled it would direct the future policy of China and regulate the markets of the Empire.



But France, supported by Russia, now stands in the way of the execution of this comprehensive plan. The Saxon has neglected to utilize the opportunity of Thibet as a land base and may have delayed too long to utilize that of Burmah.

If China is to be divided between Western Powers, or spheres of influence defined, the map of the Empire may be changed, but the commercial waterways must remain as now. Western chancelleries cannot change, by diplomatic decrees, the course of the great rivers of China, and these will ever give the advantage to the nation which controls their navigation. Soon the now almost unknown land of Thibet will be under the influence of either the Russian or British Government, and the foreign influence that governs Thibet will not be long in entering China and proving paramount in the province of Szechuen.

If Great Britain should claim the Yangtsze Valley and enforce such claim, China's policy would be more amenable to British counsel, and the nearness of Hongkong to the West River ought to give to Great Britain the advantage in deciding what nation should control its navigation.

Notwithstanding all Europe appears desirous of sharing in the division of China, the situation

is still favourable to Great Britain, and if the United States should care to have an interest in this real estate business, and the British and the American governments co-operate, the future of China would be directed by the Anglo-American race.

It is easier to point out mistakes than to avoid them, but it would have been more of a center shot, in the interest of American commerce in Asiatic lands and seas, had the United States secured from China a suitable port for a naval base and thus become entrenched on the mainland of Asia.

The influence that goes out from the Philippine Islands ought to be beneficial, though indirect, in promoting American commerce in China, but it will be materially neutralized if China is to be divided between European powers. The British branch of the Saxon race cannot be expected to successfully undertake the civilization of India and China, and in the interests of the Saxon race the American branch might well have assisted in providing a better government for China, both branches having more largely shared the foreign trade of the Empire.

At this time, when the oldest and greatest Empire of Asia turns to the Anglo-Saxon race for advice and aid, it is fortunate for civilization

that the two branches of that race are tacitly co-operating to wake up China and imbue her with a new life and destiny.

Those who oppose American expansion forget that no barrier can be erected which Saxon energy will not overleap, and, destined to fill every land and sea with its busy industry, it should move in concert, for of the 1,500,000,000 inhabitants of the earth there are only 100,000,000 Saxons.

## CONSULS AND A CONSULAR SYSTEM.

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About the twelfth century consuls were appointed in the opulent States of Italy, and their origin has been ascribed to the necessity for extraordinary assistance in those branches of commerce formerly carried on with barbarous and uncivilized nations. But now, in every part of the world where navigation and commerce have penetrated, the utility of such mercantile officers have been recognized as necessary agents in the development and protection of trade, and their duties and privileges are generally limited and defined in treaties of commerce, or by the statute regulations of the country which they represent. The consular system was therefore organized to promote the commerce of the country represented by the consul and as a source of information for its business men.

The members are accredited by their governments to other governments for the purpose of studying the nature and movement of trade, in order that the home merchant may

be kept informed with the view of making his calculations and ventures accordingly; and unless the system is organized on business principles, and the members selected on account of their peculiar fitness, the organization will prove imperfect and fail in its object.

Every nation of any commercial importance, except the United States of America, has a permanent consular system, by virtue of which the consul is trained for his special duties and holds his position, as a rule, during good behavior and usefulness.

But since the system was first organized in the United States its members have been almost invariably appointed for political and not commercial reasons, until it has become a great political camp, spreading over the world, where the favorites of the dominant party are stationed at fixed salaries and certain fees. Occasionally, even under such a system, men of competency and qualification are selected, and their industry and reports prove what the system could be made if properly organized, as well as the potency of such an agency in the expansion of commerce, if the business element, in lieu of the political, predominated.

But it is simple justice to write, that although the system of the United States consular service is more political than commercial,

the reports of the consuls of that government favorably compare with the reports of the consular officers of any other government, but this fact is again proof of the superior and more intelligent information that could be placed before the American merchant, if the tenure of his consular representative was of the permanent nature to enable the consul to acquire the experience which is the necessary result of such a tenure. I am writing specially of the consular system of the United States because I have had some experience as a member of it.

But the tenure of a consular officer of the United States will never become permanent, except through the influence of the business man, as distinguished from the politician, and if the chambers of commerce were to exert their influence with positive and persistent directness, the desired permanency would follow at a much earlier date. There is no one class of business men more interested in perfecting the consular system of the United States than the exporting and importing merchant, but the subject appeals to all interested in the foreign and domestic commerce of America, for both branches are so inter-dependent that an advantage accruing to the one is an advantage gained by the other.

It would be an unusual accomplishment if, during a four years' term of office in a foreign country, a consul succeeded in acquiring a reasonable knowledge of its language and of the inhabitants, for all these must be learned before he can be fully competent to transmit intelligent information to his home merchants. The domestic habits of a people furnish the key to their commercial habits, and it is difficult to possess a requisite knowledge of either without being able to enter into and understand the language which is the medium or vehicle of their daily business transactions.

The British Government recognize the importance of such an intimate acquaintance, and there is not a British consul in China who does not speak the Chinese language, conversing with Chinese officials in their own tongue, while there is not, and I do not remember there ever was, a consul of the United States in China who could speak the Chinese language. There may have been a missionary or so temporarily acting as consul, but the rule applies and is not modified by the exception.

There are always a number of young men connected with the British consular service in China known as student interpreters, and they are being trained for the service of their

government and are gradually promoted to consulships. They enter the service while young, and while studying the language become familiar with consular details, and in that way are prepared when they receive their promotion.

There is no similar preparation known to the consular service of the United States. True, there are about fifteen consular clerks whose tenures are permanent, but generally not one remains in an eastern country long enough to learn its language.

In the reorganization of the system too much importance cannot be given to the preparation of young men for consular service in China. There should be at the legation of the United States at Peking several young men whose prescribed duty it was to learn the Chinese language and the commercial system of China, and to have their proficiency tested by stated examinations. A young man, for the purpose indicated, ought to be sent to every consulate in China, and all encouraged by the knowledge that their efforts and efficiency would receive the recognition of their government. The adoption and close adherence to such a policy would be so apparent in good results in a few years as to justify the necessary expense for its inauguration.



I have restricted the application of the policy to China, because the needs of the service in that Empire have come more under my immediate observation, but the principle should be applied to all countries to which the United States have appointed consuls.

The consul should, of course, be carefully examined before commissioned. His capacity to speak and write correctly the language of his own country should be fairly tested, and no doubt must remain of his knowledge of the elementary principles of that language, but in the United States not even proof of this primary and essential requisite is demanded by the appointing power, and a consul is often commissioned in the absence of any such tested evidence of his capacity; it is not known whether he possesses the merest elementary knowledge of the business history of his own country, but nevertheless he is commissioned to a foreign government to advise the merchant on the most important commercial subjects, and, in addition, then denied the opportunity of sufficient time for study to inform himself.

The scope of an examination should embrace a sound rudimentary knowledge of history and political economy. The candidate should be proficient in arithmetic, geography and grammar,

but any bright school boy might be more proficient and yet make an indifferent consul. What is needed is not the ability to promptly answer technical questions, but the capacity to grasp a principle and its logical consequences. The best of bookkeepers would probably wreck a business house in twelve months while the mind that lays the foundation of business success would soon make a ledger incomprehensible. A consul should also be familiar with the history of commerce, the routes of trade, the laws which govern trade, and not a mere parrot without originality or thought. The head of any branch of the public service, to be a successful head, must have the talent to comprehend and apply principles, for without that talent there would be no guiding mind to hold into place and to direct the movement of the machinery. The principles which control trade must be mastered, and the character of markets, the probable demand, the amount of capital usually employed in importations, and especially the facilities and costs for handling freight, and when the consul familiarises himself with these general principles he may be prepared to advise the merchants of his country; he will find his time fully occupied to learn them, and can leave the details of the consulate business to the clerks employed for the purpose.

A consul should also be selected with some regard to his social attainments, and this consideration ought to have special weight when he is selected to represent his government in an Asiatic nation. No people have a keener insight into the social characteristics of a foreigner than Asiatics, and a diplomatic or consular success is frequently won at the fireside or at a social meal, and a friendly word, exchanged in the confidence of agreeable private intercourse, may shape a policy of state or avert a war.

The meagre salaries, comparatively, of the consuls of the United States have long been a subject of just complaint. One who is qualified to fill a consular office ought to be able to make more than a living in his own country, and when sent abroad as its representative his salary should be more than adequate for his comfortable support and the dignity of his official position. I do not mean that a consul should accept office with the view of accumulating money, but I do mean that a government should pay its consul a sufficient salary to enable him to live in the style of a gentleman and return the hospitality and other social and official amenities which are the consequences of his official position; and I would recommend that the consular

system, which allows a consul to retain certain fees as consular perquisites, be wholly abolished, and that the consul be paid a fixed salary and be required to account to his government for all fees.

For further comparison, the diplomatic and consular service of Great Britain in China will be taken, because the diplomatic and consular service of the United States is modelled after it. The diplomatic and consular service of the United States in China consist of a minister whose annual salary is \$12,000; one secretary of legation, \$2,625; a second secretary, \$1,800; one interpreter, \$3,000; one consul-general, \$5,000; three consuls, \$3,500 each = \$10,500; three consuls, \$3,000 each = \$9,000; one consul, \$2,500; one deputy consul-general, \$1,600; six interpreters, \$1,000 each = \$6,000; one interpreter, \$1,500; one interpreter, \$600; four marshals, \$1,000 each = \$4,000; one marshal, \$500; one marshal, \$750. It thus appears that there are twenty-seven officers in the diplomatic and consular service of the United States in China at a cost in annual salaries of \$61,375.

The annual salary of the British Minister at Peking is \$32,500, being more than half the salaries of the twenty-seven diplomatic and consular officers of the United States. The British Consul-General at Shanghai receives as

salary \$10,000, with \$500 as Registrar of British Shipping; the consul, \$6,000; the vice-consuls, \$3,500, with allowance, as assessor in the Mixed Court of an additional \$1,000; another vice-consul, \$3,250; crown advocate, \$2,500; and chief clerk, \$2,250. And if the amount paid the student interpreters and under-clerks be added the sum would be \$40,000 expended on its consulate-general at Shanghai alone, being \$30,000 more than the United States spends on their consulate-general at the great commercial metropolis of Asia.

If the comparison be extended to the whole of China, then it shows that Great Britain has in the consular service in China sixty-four officers, and expends on the service \$260,400 every year. There is not a British consul in China who does not receive a salary of \$1,000 more than the salary of the consul-general of the United States, and \$2,500 more than the highest salaried United States consul.

And as Great Britain spends yearly on her consular service in China \$199,000 more than the United States, so British trade with China is valued at 65 per cent. of the entire foreign trade of the Chinese Empire, which is ample evidence that a properly organized and paid consular service is one of the essential agencies in promoting the commerce of a nation, a

principle recognized and maintained by the British Government in its application to all countries.

Another feature of the comparison evidences greater foresight and appreciation of the importance of the consular office. At every open port in China, and the same is true throughout the world, the British Government has purchased ground and built suitable buildings for the residences of its consular officers and for the transaction of consular business. That is the policy also of the French and German Governments, and when the consuls of the British Government arrive at the ports to which they are accredited they find a home prepared for them, owned by their Government, and invariably the most beautiful and conspicuous home at the port.

At Shanghai the grounds of the British Consulate-General measure several acres, all substantially enclosed, and on which are erected several large brick buildings, one for the consul-general and his family, one for the consul and his family, and the center building for consular and court purposes.

The building at Shanghai in which the business of the Consulate-General of the United States is transacted is leased from year to year, as the United States consular regulations

prohibit a lease for a longer term, and, in 1903, is a very inferior building, being the repaired relic of an old and about to be discarded Portuguese club-house. The Consul-General of the United States lives in the upper story of the house, and the rooms of the lower story are used for offices. There is nothing attractive in the appearance of the building, and it is not creditable to the wealthiest nation of the world at the commercial metropolis of Asia. It may be said that the commerce of Great Britain with China is of so much greater value as to fully justify the British Government in large expenditures for its consular service in China, but it may be answered, that such expenditures have contributed to make that commerce large, and British consuls have done their duty in advancing and protecting the interests of British merchants.

The merchant is appreciative of diplomatic or consular assistance. An active minister or consul in behalf of the merchants of his country is not forgotten by them.

The statue to Sir Harry Parkes can be seen from the deck of every ship that enters the port of Shanghai. It stands in the most conspicuous part of the city, and long years ago, when courage and skill were necessary to

diplomatic success, this able British minister did more to develop and extend foreign trade in China, and to make China know her place, than any other diplomatic representative ever sent to China by any nation. The times in which Sir Harry Parkes lived were stirring times, but he walked the stage of life like a man, and his countrymen, in grateful recognition of his invaluable services, erected the statue to his memory. It stands with its face looking towards the scene of the labors and triumphs of the fearless original, and faces the foreign banks and business houses which he did so much to foster and protect. It is a touching and just tribute from the living to the dead.

A government should own the building in which its consular business is transacted and provide a respectable residence for its consular representative; the tenure of a consular officer should be permanent, or during good behavior, or so long as useful at the port where stationed; the consul should receive a fixed and adequate salary and be required to account to his government for all fees, and politics ought not to enter into the question of appointment, which should be a question of a purely educational, business and social fitness. When such considerations govern the appointment



of a consul the appointees will generally prove more efficient in meeting the requirements of the service.

And it is gratifying that the business men of the United States are interesting themselves to perfect their consular system on the lines indicated. A most important change, and one that is also being demanded, is a separation of the commercial and judicial features, now combined in one officer. In countries where the United States exercise extra-territoriality, there should be an officer specially appointed to preside in the consular courts, and without other duties, thus keeping the judiciary separate and independent.

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NOTE.—The figures used above will be found sufficiently accurate for practical purposes. They are expressed in gold.

MISSIONARIES.

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The missionary was not sent to China as an agent in the development of trade, but it is doubtful if the merchant and the Commercial Commission have found more paths for trade. In his vocation the missionary visits the interior provinces of the Empire and soon the merchant is seen following close behind, and it is thus that many valuable markets have been opened for foreign products.

And in other respects the missionary, aside from his special calling, has been of use to all. The most instructive and accurate books written on China and the Chinese have been written by missionaries. The *Middle Kingdom*, by S. Wells Williams, is still the authority on China; no writer has given such an exhaustive view of the *Social Life of the Chinese* as Justin Doolittle, or laid bare the *Intellect of China* as clearly and profoundly as W. A. P. Martin, and, in *Chinese Characteristics*, A. H. Smith has delighted and instructed the English reader of all lands. In addition to the books above named, which were written by

American missionaries of the Protestant church, there are other books, written by missionaries of the Catholic church, which have not been surpassed in merit or the beauty of composition, and among these are the *Memoirs and Observations* of Louis Le Comte, and the *Chinese Empire* by M. Huc. If the missionaries had done nothing more than write the books named they would deserve the highest commendation.

The first attempt to introduce Christianity into China was made by the Nestorians in the sixth century. From the published accounts they entered the West of the Empire and resolutely pushed across the vast space of desert and mountain ranges of that geographical section. Details are wanting to show the full extent of their work, but there is no doubt they made many disciples and that afterwards they lost their influence.

The famous tablet at Sing-an in Shan-si, bearing date A.D. 781, and in Chinese and Syrian characters, telling something of the triumph of Christianity, is the only visible trace of the Nestorian effort. Some time ago some of the Nestorian sect were in Shanghai and when I asked them about their history they referred to the tablet at Sing-an as evidence of their first attempt to teach Christianity in China.

The failure of the Nestorians did not discourage other Christian missionaries from attempting to Christianize China; in the thirteenth century the Catholics entered the Empire also from the West.

The Catholics were at first successful, and when their influence began to decline it was arrested by the zeal of Xavier, whose plans of evangelization were conceived with the fervent energy and comprehensiveness which have brought so many triumphs to the Catholic church.

In 1580, Vaglinani, the Superior Jesuit Missionary in the Far East, selected Matteo Ricci and others, and sent them to Macao to push their way into the interior, and for a hundred and fifty years, from 1580, great activity was displayed and many converts were made, and after an effort of twenty-one years a Catholic mission was erected at Peking. Success now seemed assured, but the Benedictines and the Franciscans and Jesuits, who had moved in solid line, until a lodgment had been made in Peking, no sooner planted the cross there than discussions arose among themselves, when the frequent appeals to the Pope caused confidence to be shaken in their professions, and resulted in the edict of 1736 for their expulsion. Then a long period of persecution followed.

At the beginning of the last century the Chinese were no more favorably disposed to mission work than previously, but the earnest zeal of the missionary was inspired by a more sanguine hope.

The discoveries of Vasco de Gama had resulted in opening new ports in China, and the London Society was the first Anglo-Saxon missionary society to move China-ward, and Robert Morrison was selected to be the pioneer. The East India Company at the time enjoyed a monopoly of the China carrying trade, but when Mr. Morrison applied for a passage to China on one of the company's vessels, he was refused, and it became necessary for him to voyage to New York, and from there sail for China on an American vessel. He was nine months in reaching Macao, and at Macao the first regular Anglo-Saxon missionary laid his plans for missionary work in China.

The cause of missionary work in China received a decided advantage and impulse when Vasco de Gama doubled the Cape of Good Hope. This daring feat of navigation pointed out a new route for commerce and more intimately introduced Westerners to Asiatics; and thus it is that Christianity and commerce have ever been the pioneer agents of the larger civilization that follows, potentially aiding, the one the other,

in extending the dominion of Christian culture and the refinement of human wants.

Since the date when Robert Morrison arrived at Macao, the English-speaking race has been persevering in its effort to convert the Chinese to Christianity, but the efficiency of the work is not to be measured by statistics alone. The number of Chinese converts to Christianity doubtless proves the success of missionary work in one sense, but to overcome the difficulty of making Christian converts in China includes other considerations as a test of efficiency which are too often overlooked; and it is the severer test.

It should not be forgotten that China existed as a nation more than two thousand years before the birth of Christ, fifteen hundred years before the founding of Rome, and seven hundred years before the date of the Exodus. And as it existed when history found it, so it has existed during the intervening centuries, with its ethics, customs, laws and prejudices unchanged.

The most industrious and far-reaching research into antiquity records that the Chinese were governed by the same form of parental government, which has stood unshaken amid the fall of surrounding empires, and is as influential in its life to-day. They are

intrenched in centuries of prejudice and superstition, and behind a wall of conservatism which has successfully withstood the intellectual assaults of all former ages.

The family life of the Chinese opposed the teachings of Christianity, and the lessons of opposition had been taught at the family fireside throughout all known time, impressed by daily examples and imbedded in the inmost heart; and thus the very center and force of opposition was the result of daily training, which the memory of parental love and early association kept fresh and strong.

The secret of the opposition to the introduction of Christianity is therefore in the family creed of the Chinese, and there the correction must be made to insure success, and it may be done if there be proper consideration for long-standing convictions and prejudices.

And there is the vastness of the population and area which give immensity to the opposition, presenting difficulties to the penetration of either, discouraging in insurmountability, except to the most faithful and courageous disciple. With a population of 400,000,000, and an area of 4,270,000 square miles, the Chinese Empire does not present an easy subject for spiritual reformation, and when all ingress and the means of travelling, until recently, have so long been

barred by Imperial edicts, the results which the missionaries can show certainly do not justify the opinion in some quarters that their work has not been efficient.

But the language of China is a more difficult barrier than the size of territory or the number of population. It appears to have been fashioned to exclude successful communication with other nations, and it must be learned to reach the Chinese and to know that the translations of Christian literature into their language are correctly made. The missionary who undertakes the distribution of Christian literature should be prepared to explain it to the seeker after its truths in the language of the seeker, and inability to do so is more calculated to drive off the inquirer than to convert him. The Christian churches of Western nations, engaged in evangelical work in China, could not move on safer lines than to educate certain of their young men to write and speak the Chinese language; they would probably be as successful in converting as the young Chinese who are being educated to speak and write English, and would be competent to guard against their errors. And it should be remembered that years of study are necessary to enable one to even write and speak the Chinese language moderately well,



for, in the place of an alphabet, there are twenty-five thousand hieroglyphics or ideographic characters, each constituting a word, and out of which there is a language exclusively for literary use: to be seen, not heard, to be read, not spoken; and with a branch somewhat easier and less stilted.

Then comes the language of the mandarins or court language, spoken in the northern and central provinces, and thus from such an alphabet, as it were, three dissimilar languages have been constructed; these must be mastered by the missionary before he can preach the doctrines of the Christian religion to all classes of Chinese in their native language.

But notwithstanding these primary difficulties, the missionaries have met them with patience and perseverance, and by their steady efforts can point to the most encouraging results. The statistics with reference to the number of converts in China prove that both the Catholic and Protestant churches are yearly adding to their number, and that the records of each church may, with confidence, be offered in proof of their good work. New churches, hospitals and schools are being built every year, and far from the open ports these undoubted proofs of the advance of Christian civilization may be seen by the traveller dotting and beautifying the

plains and valleys of China. Nearly every year there are plans maturing for the erection of a chapel, a school-house, or a hospital in parts of China new to the Westerners, and in the wake and around these silent witnesses of Christianity it is easy to see that the mental and domestic conditions of the people are improving.

Thus far the Catholic church can show the greatest number of converts, larger than the added number of the different Protestant churches, as it also can show more enlarged work in the establishment of schools and hospitals, and this may be due to the fact that the Catholics have been much longer in China, and to the other fact, that they move on the lines of evangelization with more singleness of aim. The division of the Protestant churches present them to the Chinese as a divided Christian household, and weakens that moral force which is stronger among an unchristian and uncivilized people when under the direction of singleness of counsel.

The Catholic church concentrates its energy and wealth in one direction, and to the Chinese it presents itself in a singleness of form which commands\* influence by the mere ocular strength of such a position; and generally the Catholic schools are under the

supervision and conduct of better educated men, though in recent years the Protestant schools have been much improved in this regard and are now more influential than heretofore.

And the schools and hospitals have been, and must continue for a long time, a great reliance of Christianity in China. In the schools the Chinese are taught how to read the great Text of Christianity, and in the hospitals they see the superiority of Western science in relieving suffering, the one carrying conviction through the brain and the other through the eye. Money expended on schools and hospitals is well invested by those who wish to promote Christianity in China, but it is not to be understood that preaching and the building of churches are to be neglected.

But no one agency has been so powerful in promoting Christianity as the mission press. It is an agency that has been too much neglected and the one that can be made the most effective. The Chinese are beginning to read Western books, and such as are translated and printed are being rapidly sold and distributed. The religious tracts that the mission press issues are sent to all who can read and are the means of benefiting many who cannot read.

There is no one who has placed before the Chinese the real cause of their defeat in the

war with Japan, in so convincing a manner as Dr. Young J. Allen, in his history of the war between China and Japan. Dr. Allen prepared his history with careful attention to the causes of China's defeat, and it was printed in the Chinese language by a mission press and eagerly read throughout China. The members of the Central Government at once secured copies of the history, and Dr. Allen has received many pleasing testimonials from the highest sources of Chinese official life. The writings of Dr. Timothy Richard have also been most influential in awakening the Chinese to their true condition, and Dr. Richard and Dr. Allen are mentioned by name because I have an acquaintance with both, and they have been kind enough to talk with me on the extent and effect of their work. There are others no less worthy of mention, and to those who wish to have Christianity firmly established in China the mission press and its influence are specially commended to their consideration.

The opinion that would exclude missionaries from China, or that which discredits their work, cannot deny the right of missionaries to reside in China and pursue their profession. The treaties made by China give them this right, and they should be protected on the same principle that those engaged in other

professions are protected. But if the work of the missionary be judged by a mundane standard, it is more generally civilizing, because they go into the by-ways and highways and mingle with all classes, while foreign officials and foreign merchants associate with Chinese officials and Chinese merchants and are not so close in touch with the great masses of China, and are not so well informed as to their wants and needs.

Commerce is indebted to the missionary for many valuable markets. The merchant often follows close behind the pioneer of Christianity, well knowing that the better educated soon want the necessary comforts which refine and elevate human thought and nature throughout all climes and all races. It can be again stated that the missionary has found more markets in China for Western products than the merchant or the Mercantile Commission.

The attacks that have been made on missionaries and missionary stations are generally inspired by those who feel the reproach which a virtuous life is to their own, and the reproach is not felt so keenly, if at all, by the masses of the people of China as it is by the class which have so long blinded and prejudiced the people against

all change and improvement; and it is to the writings of the literati that the missionary may look for his most powerful foe. There is no one class in China so influential in forming and directing public opinion as the literati, and this class is untiring in the employment of every means known to Oriental indirectness and chicanery to defeat the spread of Christianity, being more dangerous as a foe than the official class, because far more capable. The superstitious thralldom that holds China so strongly bound is the writings of Chinese scholars, and there will be no liberation from the slavery of such writings, with its false dogmas and creeds, until there is, educated under foreign tutelage, a counter-student class among the Chinese, and it is therefore of the greatest importance that the scholar in China, under the superintendence of the Christian churches, or under foreign supervision, should be supported by all means necessary to success. The school house and the mission press are joint agents of great power for good, when under proper direction, in all lands, and they will prove especially so in China.

But the closing years of the nineteenth century witnessed the introduction into China of a new agency which is destined to revolutionize the Empire in favor of a higher civilization,

and will prove, in one sense, the great preacher and diplomat.

There are now being built and under contemplation a system of railroads that will more rapidly open up China, and do more to remove the prejudices of Chinese, than any other agency that civilization has ever enlisted in its behalf. At and far off from the open ports the contact with foreigners has demonstrated that the Chinese, when let alone by ultra-conservative advisers, are not averse to cultivating friendly relations, socially and in business, and that it is only necessary to give to the mass of the people the opportunity to understand the foreigner, in order to remove the prejudices which they have been taught to cherish for him.

The surveys now being made for lines of railway that will connect Peking with Canton are the streaks of the coming light which the railway will pour, as it were, through China. The resistance which has so long been made to the establishment of new market-places in the interior of China will yield before a power greater than the sword or long standing prejudices.

The sympathy and support of all desiring the opening of China should be given to the construction of railroads in the Empire, not

only because trade relations will thereby be extended and made more valuable, but because civilization will be promoted as well. The question is not one that appeals solely to the commercial mind, for it has a broader significance and embraces within its answer all that refines, enlightens and points the way to better things and a grander destiny.

The opposition and reverses encountered and sustained by the missionary in the past, but which have never daunted his purpose, are no longer to be encountered to the same extent. The edicts which banished the Christian religion from China have been repealed, and freedom of conscience and thought is permitted by official edicts throughout the wide realms of the Chinese Empire. Whatever may be the policy of the Central Government, or the disposition of the provincial officials and literary class, the law of China gives the Christian missionary the right to purchase land, in the name of his church, and to build a church on it and to preach therefrom the Gospel of Christ. He is free to disseminate the truths of that Gospel, without let or hindrance, and it now devolves upon him to exercise the proper respect for the prejudices and opinions of the people among whom he has elected to live in order to convert them to his own convictions. Dogmatism in any sense will



not make such conversions to Christianity as Christ taught would prove its pillars of strength. The mind must be convinced by the simple presentation of truth and every semblance of mental impatience or compulsion should be avoided. And there are many truths in the philosophy of Confucius which do not differ from the truths of Christianity, and there need not be any wholesale attempt to drive the Chinese from every previously conceived conviction. What is true in the writings of Confucius should be admitted and presented as true, thus finding an easier way to the Chinese mind by causing it to reflect, that truth has been truth throughout all time and that Christianity is but the truth.

The failure or refusal to recognize the equity of this view has led to friction which Christian churches should ever be on the alert to avoid, not surrendering any doctrines of Christian faith, but remembering that it is more difficult to overcome prejudice and superstition than mental conviction.

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NOTE.—In one of his essays on "The Chinese Question" Sir Robert Hart has this to say with reference to missionaries in China :—

"As for the missionary class, their devotion, zeal and good works are recognized by all; and yet, while this is so, their presence has been felt to be a standing insult, for does it not tell the Chinese their conduct is bad and requires change, their cult inadequate and wants addition, their gods despicable and to be

cast into the gutter, their forefathers lost and themselves only to be saved by accepting the missionary's teaching? As for the accusation that converts trouble the localities they appear in, it may be asked: Have they anywhere been numerous enough to do so, and have they not always had, on the contrary, to go humbly to avoid trouble? Doubtless soi-disant converts have seen a way to make a great gain of a profession of godliness, but that they are able to do so, who is to blame but the Chinese local authorities themselves? And as for the charge brought against the missionaries, that they take up converts' cases and intervene between litigant and magistrate, may it not be inferred that if they do so it is only when they are certain of the justice of their friend's case, and only do so to secure justice and prevent injustice, and not that they interfere to bolster up a bad case to wrong even a 'pagan? Missionaries may have been deceived occasionally or they may have acted injudiciously occasionally, but has not the decision rested always with the Chinese magistrate; and is it likely that the advocacy or intervention of these isolated and unprotected strangers could have compelled officials to decide unjustly, or that their doings could so upset whole neighborhoods as to call for such a remedy as extirpation or such vengeance as that with which the Footai Yü Hsien and his Boxer myrmidons rendered infamous for ever the Governor's Yamen at Tai-yuan-foo? Nevertheless, whatever may be written in excuse or justification of missionary action or to absolve converts from such accusations, it is and remains a fact that in the eyes of the community to accept a foreign faith is to insult a native creed, and to become a Christian requires a man to withdraw from local practices and thereby offend neighbors, and it may also be said to be a fact, so many Chinese complain of it, that scamps become Christians to bring a new kind of influence into courts where litigation goes on, and that missionaries have themselves injudiciously interfered to shape magisterial decisions; it does not require many such facts to establish dangerous possibilities in the popular imagination, and so lay foundations for suspicion and hostility, and while local gossip will not fail to accentuate what is objectionable in every such occurrence, flying rumour will as surely both magnify and scatter it far and wide."

In March 1878, the Chinese Foreign Office addressed a Circular Letter to Chinese Ministers abroad in which the views of the government of China are clearly set forth on several important questions, and the following is Section 9 of the letter on the Missionary Question:—

“Over and above the four points commented on there is the missionary question. China, recognizing that the object of all religious systems is to teach men to do good, has by treaty assented to missionaries coming to teach their doctrines in China, and has also guaranteed protection to them and to their converts. But among the missionaries are some who, exalting the importance of their office, arrogate to themselves an official status, and interfere so far as to transact business that ought properly to be dealt with by the Chinese local authorities; while among their converts are some who look upon their being Christians as protecting them from the consequences of breaking the laws of their own country, and refuse to observe the rules which are binding on their neighbors. This state of things China cannot tolerate or submit to. Under the extra-territoriality clause foreigners are to be dealt with by their own national authorities, but as regards Chinese subjects on Chinese soil, it is only the Chinese authorities who can deal with them, and Chinese subjects, whether Christians or not, to be accounted good subjects, must render an exact obedience to the laws of China; if any offend against those laws, they must, one and all, Christians or not, Christians alike, submit to be dealt with by their own native authorities, and the foreign missionary cannot be permitted to usurp the right of shielding them from the consequences of their acts.”

Sir Robert Hart has been the efficient head of the Imperial Maritime Customs of China for many years, and probably knows the inner mind of the Chinese better than any other foreigner now living, and whatever he writes on Chinese questions will always merit the most careful attention. If the Chinese do regard the presence of Christian missionaries as a standing insult to both their gods and conduct, it is doubtful if they are really half as much concerned about the religious feature as they are about the presence in their country of the foreigner who represents that

feature; it is suspected that therein is their opposition. No one knows better than Sir Robert Hart that the government of China does not want foreigners in China, and this was evidenced at the siege of Peking, when Sir Robert himself, the venerable Dr. W. A. P. Martin, and others who had rendered the most valuable services, and for long years had proved themselves true friends to China, were shot at along with strangers, and would have been massacred along with them, but for a valor and endurance by all, of which history will preserve to their credit and to the discredit of China. It is not the office of a Christian missionary to either wish or to attempt to force his religion on the Chinese, and it is not done; the Chinese are at perfect liberty to receive or reject it, and it should not be considered an insult to their gods when they have such entire volition on the subject. The Chinese do not concern themselves with regard to religion to the extent of taking the subject very seriously, and if it be that they do resent Christianity as an insult, the reason may possibly be found in the injudicious course of some missionaries, but all missionaries, and their work in China, cannot be justly judged by a few whose course might be properly visited with the severest reprehension of the Christian churches. There may be some missionaries in China, as in other lands, "who live without blame, and without praise," and some, such as Dante would "mix with that caitiff choir of the angels, who were not rebellious, nor were faithful to God; but were for themselves." No people adhere more closely to custom than the Chinese, and whatever opposes their customs have met with violent opposition from them, for they have opposed the introduction of foreign merchandise as strongly as they ever opposed the introduction of the Christian religion. In this connection the counsel of Abbe Huc is deserving of the careful consideration of all missionaries: "It is by instruction, not controversy that the conversion of the heathen is to be efficaciously operated. Polemics may reduce an adversary to silence, may humiliate him, may sometimes irritate him, but they will never convince him. When Jesus Christ sent forth his disciples, he said to them, Go forth and teach all nations, which does not mean, Go forth and hold controversies with all nations. Carry light with darkness and the darkness will disappear."

PACIFIC OCEAN—THE ARENA.

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If the population of the world be estimated at one billion and five hundred millions, then one-half of that number may be found in countries bordering on the Pacific area, and one-fourth of it in the Empire of China. And it may be accurately written that, of the inhabitants of the Asiatic Continent, a small per cent. only have ever experienced the influence of Western civilization, or whose wants have been measured by any of the necessities of that civilization.

As late as 1854, even Japan was as positive in adhering to a policy of exclusion as China, and was probably more tenacious, but in 1854 the American Commodore Perry anchored the naval squadron under his command in the waters of Japan, and subsequent negotiations soon resulted in opening some of the important ports of the Island Empire to foreign trade.

Since the year 1854, Japan has been throwing off her cloak of exclusiveness, until now she appears in the full panoply of

sovereign rights in all her relations with the nations of the earth. The record of her internal as well as external trade testify to the industry and competency of her people, and to the suitable and orderly system of government under which such solid wealth has been accumulated, and to the confidence which pervades the various branches of industry. A reference to the record of Japan's external trade, in comparison with that of China's, convincingly proves that Japan, with a population of less than one-seventh, and far behind China in natural resources, has immeasurably surpassed her colossal neighbor in all the achievements that are attended with wealth and security; and this may be because Japan spends about as much as China on foreign goods.

While the foreign trade of China, since 1890, shows an average increase, and in 1902 was valued at Haikuan Taels 529,545,489, yet if, during the same period, the ratio of increase had equalled that of the foreign trade of Japan, it would, if such a ratio continued for twenty-five years, be worth then as much as two billions of gold dollars. The distinguishing increase in the trade of Japan can be attributed to the intercourse which she has cultivated with other nations, while the

unfavorable showing against China is due to her isolated policy and her internal fiscal regulations, which destroy the very vitality of commercial industry.

In approximating the possibilities of the future trade of China, one may turn to the record of the trade of India, as the area of that Empire is about the same as the area of China, and there it appears that China, with almost fatal disadvantages for trade, stands more favorable in comparison; and this fact clearly indicates that, when China reconciles herself to a system of government similar, in industrial aspects, to the system under which India is administered, there will be but few, if any, countries whose commerce will figure more largely in the international balance-sheet.

The comparisons between the trade conditions of Japan and China cannot leave a doubt as to the immensity of China's trade when the Empire attains even the moderate development attained by Japan and India. By every reasonable standard of comparison the future trade of China will over-shadow in value that of all other Asiatic nations, and that of many Western nations as well.

The battle of empires in the arena of the Pacific will be a contention for the trade of China, and the nation that is alive to the

influence of strategical positions in directing the course of this trade will share the larger proportion.

Many years ago, the founder of the Bank of England, William Patterson, looked to the Pacific as the commercial arena and wrote these words: "If neither Britain singly, nor the maritime powers of Europe, will treat for Darien, the period is not very far distant when, instead of waiting for the slow returns of trade, America will seize the pass of Darien. Their next move will be to hold the Sandwich Islands. Stationed thus in the middle, on the East and on the West side of the new world, the English-Americans will form the most potent and singular empire that has appeared, because it will consist, not in the dominion of a part of the land of the globe, but in the dominion of the whole ocean. They can make the tour of the Indian and Southern Seas, collecting wealth by trade wherever they pass. During European wars they may have the carrying trade of all. If blessed with letters and arts they will spread civilization over the universe."

The prediction of Patterson has partly been verified, for America is in possession of the Sandwich Islands, not, however, by seizure, but by peaceful annexation, and the



completion of the Panama Canal, which will also belong to America, cannot longer be delayed; and the fortunes of war have added other islands to the dominion of the nation that has made the most rapid advance in letters and arts—one that seems commissioned to spread civilization and collect wealth by trade.

In the year 1903, the people of the United States seem to have comprehended the responsibilities and duties enjoined by their high state of civilization, and to have realised the destiny before them. They are preparing, as never before, to meet that destiny so far as human foresight is premitted to look into the future; and the first consideration in importance is the recognition, that the center of gravity of world-trade and world-power is moving from West to East, and to share that trade and power, the other consideration, that the Pacific will be the arena on which it will be won or lost, must also be recognised.

The acquisition of the Sandwich and Philippine Islands strengthens the position of the United States for the coming contest, and the completion of the Panama Canal is only necessary to make the acquisition doubly strong and success doubly sure. The territory of the United States, now depending for commercial

outlets on the Pacific Ocean, fully warrants the favorable opinion here expressed, and when developed by American industry will prove to be both a source of revenue and of strength.

The territory of the United States proper, depending on the Pacific Ocean as a commercial outlet, comprises an area of 800,000 square miles, but of the eleven states included in this territory, three only have actually a sea-board; and heretofore so little attention has been given to the shifting of the world-trade and the world-power from West to East by the people of the United States, that the eleven states represent but 6 per cent. of the population and 10 per cent. of the wealth of the United States; but in proof of the rapid increase in wealth of sea-board territory over inland, the three sea-board states possess about 60 per cent. of the wealth of the eleven composing the group, and, within the territory of the three, the seventh city, San Francisco, of the United States is situated. To this territory of the United States proper, which depends on the Pacific for an outlet, can now be added that of the Sandwich and Philippine Islands, the former adding an area of 6,700 square miles, and the latter 114,000 square miles; the one containing a population of 80,000 and the other of 8,000,000, and with climates and soils

favorable and fertile for the production of every necessary of life and almost every commercial product. In area of territory the Sandwich Islands measure nearly as much as both the States of Connecticut and Delaware, and in population the number exceeds that of either of the States of Washington, North Dakota or South Dakota, while the area of the Philippine Islands is more than the added area of New York and Illinois, and in population more than that of the two states of New York and Indiana. These new acquisitions give new and better advantages and bring new duties and responsibilities, but the people of the United States will not fail to properly utilize the one and appreciate the other in the interests of their commerce and civilization. At the close of the nineteenth century, the United States enters the arena for commercial superiority and the expansion of their civilization, but they will meet in that arena other nations which have been thoughtful of the struggle, appreciative in foresight of the preparation necessary to appear as a worthy competitor, the one against the other.

The key to the Eastern entrance of the Pacific is already in the possession of Great Britain; and Russia, Germany, and France are entrenched on the shores of that ocean.

"All the long water route to the East, which is also the far West, is under our (British) control. Gibraltar, Malta, Cyprus, mark our way to the Suez Canal over which we hold a controlling hand. At the mouth of the Red Sea we keep guard at Aden, Perim, and on the Somali coast. We are supreme on the Eastern Ocean; the Indian Peninsula is an integral part of the British Empire, through the portals of the Straits of Malacca we possess the outlet to the Western Pacific; and there we own more territory than any other country in the world, save China. Our political position in the Pacific is too critical, our commercial and financial interests there are too vast, for us to allow the Western water route to fall under the absolute control of any other power, even of a friendly power like the United States. We cannot prevent the building of purely American railways from the Atlantic to the Pacific, nor a Russian railway from Russia to the Manchurian sea-board. But railroads will never supersede ocean traffic, nor serve for the deportation of warships. Great Britain is territorially and commercially far more of a Pacific power than is the United States, and it is essential to her empire to have a share in any Atlantic-Pacific waterway that may be constructed."

The above quotation, from Taylor's article in the *Nineteenth Century* accurately portrays the commercial and political power of Great Britain in the Pacific Ocean, and as loyally the precautions that are thought necessary to guard and preserve that power; and the commercial and political power of the United States is second only to that of Great Britain, especially the commercial power in China, and the agency to make the power of the United States equal, if not superior to that of Great Britain in the Pacific and in China, is for the United States to cut and own the Panama Canal.

No nation has ever been so strongly entrenched in territorial, commercial and political power, at any period of history, in the affairs of the world, as is Great Britain, and no people have ever accomplished as much for civilization as the British, but this is because the energies of the people of the United States have been concentrated on the development of their domestic wealth and industries, and not because they are deficient in the genius, talent and courage to go into the outer world to civilize by just laws and bless with Christianity. Being members of the same race, Americans and Britishers should shape the future course of the world's history, but

there can be no advantages admitted on the part of the one which justly belongs to the other, or which mutual interest or the general good demand should be shared by both, for in the Union which, sooner or later, must be more than impliedly understood, to preserve the world's peace and the world's best civilization, there should enter no such element as writers like Taylor would introduce.

In the Northern Pacific the British flag protects and claims the allegiance of a continent, as it were, and the organization of an "Australian Federation" will concentrate the industrial energies of six flourishing colonies in the direction of British commercial interest in the Pacific, and introduce a new power that the outside world will have to take more seriously into account. The colony of Victoria alone is twice as large in area as the State of Pennsylvania, while that of Queensland is fifteen times the size of that state; South Australia is twenty times the size of Pennsylvania or New York, and fifteen times the size of England and Wales, and Western Australia is the largest colony of the six composing the Australian group. In all the seas of the world, waving from islands and ships, the flag of the British Empire catches the eyes of the traveller, until finally it has

been planted on the mainland of China, at Weihaiwei, to cover with its influence as much of that mainland as British diplomacy may win.

Possessing an empire in the South Pacific, nearly equal in area to the United States, and another in North America which measures 3,000 miles from the Atlantic to the Pacific, and covers an area larger than the area of the United States, the necessity for the acquisition of the Sandwich and Philippine Islands is made more apparent, if the United States are unwilling to be driven from the commercial arena of the Pacific and locked up within their own boundaries. And there is the British colony at Hongkong, which, although so near the mainland of China, yet has a trade, so important as a distributing center, that it is given a separate column in the Customs' reports of China. The trade of Hongkong with China for 1902 is valued at Hk.Tls. 216,181,544, a great depot, where many of the imports and exports from and to Great Britain, America, Australia, India, the Straits and the coast ports of China, are stored for reshipment.

Why may not the Philippine Islands—the Port of Manila—be made a great depot for the trade of the Pacific, and the Sandwich Islands the resting-place for supplies and trade

for the ships of all nations? These are well selected strategical positions in peace or war, and it is such, and not the mere area of territory, that promotes commerce and makes wealth.

There is indeed a converging of the great nations of the world towards the Pacific; but the movement of no nation in that direction has elicited the same degree of attention, in the chancellaries of foreign affairs, as the territorial and political expansion of Russia. The Asiatic division of the Russian Empire embraces more than a third of Asia and nearly one-seventh of the total land area of the globe, but this immense territory is thinly populated, and it is Russian activity, in preparing the agencies which will populate this immense territory and develop its hidden wealth, that excites attention. As early as 1683, Prince Basil Golitsyn, the then Russian Minister of Foreign Affairs, planned for the development of commerce with China by way of Siberia. Peter the Great was but a mere boy, and there was no public opinion in Russia to produce or support important radical changes, but the field was left open to the genius of Peter the Great who, when coming of age and assuming the direction of the policy of Russia, saw the way which his successor in



1903 is engaged in opening. Before the close of the nineteenth century, the Russian domain had been extended to the Pacific Ocean and a railroad had been built uniting Vladivostock and St. Petersburg, the Pacific and the Baltic. Three centuries ago Russia was not known as a European power, and was without influence in the politics of Europe, but to-day, while the capital of Russia and the greater number of its population are in Europe, more than 6,000,000 of its 8,500,000 square miles are in Asia, and Russia for three centuries has been constant in aim and energetic in diplomacy in effectuating the plans of Prince Golitsyn.

But Russia's movement towards the Pacific is justified by laudable considerations in the interest of the development of Russian industries and the amelioration of the condition of Russians, and it is in fulfilment of a natural principle so clearly stated by Clarke: "When the territories of two great powers are separated by a vast tract of country offering no marked physical barriers, and sparsely populated by nomad tribes or uncivilized states mutually hostile, stability of frontier is impossible, one or both of the great powers must inevitably advance, absorbing the intervening territory, until the two powers come into contract at some boundary established by treaty and

formally delimited. The history of the world shows that a strong and progressive power, unrestrained by any great natural boundary, will always expand into the territory of uncivilized and unhomogeneous neighbors. The great Empires of the old and of the modern world have thus been created. The force of inevitable natural expansion is something quite apart from, and slower, but more certain in its action than such great waves of invasion as that of the Tartars which almost engulfed Russia in the thirteenth century. To the operation of this force, the consolidation of the United States, or our (British) Indian Empire, and of Canada is due. In Africa, the process is going on; but the end is near at hand, since the expanding powers are now nearly in contact at all points. At the beginning of the last century, when Russia was pressing back the Persian frontier and aiming at the command of the Caspian Sea, Great Britain had absorbed Bengal and moved West along the line of the Ganges beyond Delhi. Central and Western India were still independent. Henceforth the sphere of influence of the two great powers steadily and inevitably tended to approach, the expansion of Great Britain proceeding at much greater speed than that of her rival. The annexation of the Punjab by Lord Dalhousie in

1849 carried our territorial frontier across the Indus right up to the base of the Afghan Hills, finally extinguished the long rivalry of the native Indian powers, and absorbed under our sovereignty the last kingdom that remained outside of the pale of British Empire in "India." By this time Russia had subdued the Southern Kurgis and founded Kopal, near the frontier of the Chinese province of Kuldja; but the advance from the Caspian through the Zekke country towards Herat has scarcely commenced, and Khiva, only 200 miles from the Sea of Aral, was not taken till 1873." "And," says Sir Alfred Sydall, "What did this new departure of Lord Auckland's interference in the affairs of Afghanistan in 1838 imply? Not that the British had any quarrels with the Afghans, from whom they were separated by five rivers whose floods unite in the Indus. It meant that, after half a century's respite, the British were again coming into contact with a rival European influence on Asiatic ground." And there has been always in the British Foreign Office an eye wide open to every advance made by Russia, continuously protesting against Russian occupation of territory, but, since 1884, annexing or bringing under British influence enough of the earth's surface to increase the total of the British territory about one-third.

The rapid extension of Russian territory and influence into China, until the Russian flag now protects Port Arthur, a strong fortress on the mainland of China, was one of the results of the recent war between China and Japan, when the intervention of Russia was mainly instrumental in securing the retrocession of the Liaotong Peninsula, which China had ceded to Japan in the treaty of Shimonoseki. And China supposed that Russia was again manifesting a disinterested friendship in materially assisting in negotiating the loan for money to pay off the indemnity which China obligated in the treaty to pay Japan. Then, as another move in Russia's diplomacy, China was requested to send Li Hung Chang to represent China at the coronation of the present Emperor of Russia, and it is said that no ambassador from any other nation received as much consideration at the Russian capital as this special ambassador of the Emperor of China. In return for Russia's manifested friendship, the public was soon afterwards made aware of the existence of a treaty between Russia and China, which was thought by many to be the true motive power of the many privileges Russia was gradually showing as a part of her enjoyment and rights in China; and this treaty, which for some time was a secret now

appears as the substantial basis for Russian activity and acquisitions in and from China. If the whole of Manchuria is the only part of China that is become Russianized, the prediction of thoughtful observers of passing events in China will not be fulfilled, but the tendency of events point to the absorption of all North China by Russia, and even that the capital of China will, ere a few years, be guarded by Russians.

Viewing the development of Russian diplomacy, as it bears upon this opinion, a competent observer says: "The fact cannot be too clearly borne in mind that it is only over a year ago that Russia repudiated the idea of having any sinister design on Manchuria as energetically as she does the intention to gain political and commercial control between the Yellow River and the Manchurian frontier to-day. But Manchuria is as good as annexed to the Russian Empire, and the conclusion is irresistible that the control of all North China may pass into Russian hands. There is every reason to assume that, in spite of the peaceful professions of the Czar, Russian aggression will pursue its path in China with the same glazier-like force that has propelled it from the Caspian to the Gulf of Pechili."

The advantages that will accrue, in the

extension of Russia's political and commercial influence by the full completion of the trans-Siberian railroad, will be incalculable in China and the Pacific. When completed, the distance from London to Peking can be travelled in about fifteen days, and can be made cheaper than by either the Suez Canal route or the sea and land journey by way of Canada or the United States. At present the voyage to Yokohama by sea, *via* the Suez Canal, takes thirty-four days, and twenty-five by the rail route. To Shanghai the shortest duration of the voyage by canal is twenty-eight days, and by rail thirty-one, and to Hongkong it is twenty-five days, and thirty-three days by the same respective routes allowing for the sea voyages from Port Arthur to Vladivostock, which will be the first terminal of the trans-Siberian line; all the above named points will be reached in far less time than by any of the existing routes. When the interior lines of railway in China are completed and connected with the Russian road, the steam routes, except for heavy goods that will not bear railway freight charges, will be outside competition. Some approach to the facilities that will be afforded by the Russian line will be eventually made by the railway projected from Constantinople through Asia Minor and

Southern Persia to India, and thence through Burmah, but in any case it cannot be for many years to come, and the distance will in no instance be less. In the question of fares and freight rates, the Russian line will always have the advantage in being under one individual control. Against the trans-Siberian line the existing steamship lines will be powerless to compete except for heavy goods, and the mails will certainly take the shortest and quickest route; and the Russian government is preparing to take every advantage of the construction of the trans-Siberian railway by a line of steamers designed for freight and passenger service between a Russian Baltic port and British and Western European ports, and wherever else it may be to the interests of Russia.

The policy that would deny to Russia an outlet to the Pacific would not be just, but the policy that would oppose the necessary influence to the closing of any Chinese market to the free competition of foreign products, would be fully justified by every proper consideration a nation should have for the protection of its interests.

The trade between China and the Continent of Europe, Russia excepted, was valued at Hk.Taels 58,213,315 for the year 1902, which

is only Hk.Taels 3,134,450 more than the trade between China and the United States, while the trade between China and Russia *viâ* Odessa by sea, Russia and Siberia *viâ* Kiakhta, and Russia and Manchuria add up to Hk.Taels 12,146,140, which is Taels 43,932,725 less than that of the United States with China, comparative figures showing results that give the United States the right to inquire about the purpose of those nations of the Continent of Europe that are establishing themselves in the territorial limits of China, and about their future intentions in reference to trade, and the inquiry will be more pertinent, on the part of the United States, since Russia and Germany have planted their flags in those parts of China's territory where the United States have a most valuable cotton piece goods trade.

The Germans have not been successful as colonizers because the military idea predominates over the civil, but they are energetic and competent and their trade in Asia is showing an encouraging increase. Of the German colonies Tagoland is the only self-supporting one. Their expense to the home government was estimated for 1898-99 at £461,000 and £17,000 deficit, carried over from 1895-6, an increase of £59,000 over the State subsidy granted in



1897. The area of German possessions in Africa is given at 820,648 square miles; the entire trade of the African colonies for 1897 amounted to £1,657,718, of which £1,110,000 were imports and £547,718 exports, these latter being a little over the government subsidy, and only 42 per cent. of the entire trade was with Germany.

Whether the colony which Germany has established in China at Kiaochau will prove more prosperous the future must decide, but it is believed that it will, for Germans are generally good linguists, learning the native language with more than the usual facility, and satisfied to sell their home products on small margins. The Bay of Kiaochau can be made a good harbor, and is an open port for the province of Shantung, which is one of the rich mineral provinces of China. The Government of the port and the territory surrounding, within certain definite limits, will be under the sole control of Germans, and all concessions looking to the development of the province are to be first refused by Germans, giving them the monopoly of the province in whatever pertains to the development of mines or the building of railroads, and consequently a monopoly also for German products.

And it should be carefully noted, that

the possessions of Russia, Germany and France on the mainland of China have been acquired under peculiar circumstances, as if in accordance with some agreed plan of those nations, and with exclusive conditions connected with each acquisition. But France has not succeeded so well as her partners, though claiming the province of Yunnan and the exclusive privilege to develop it on lines promotive of France's interest.

The colonial possessions of Germany in the Western Pacific, and the recently acquired possession of the mainland of China at Kiaochau, have decided German business men to compete more earnestly for the trade of the Pacific, and this has rapidly developed the manufacturing industry of Germany, which has in recent years enormously increased the trade and commerce of the country.

France is also a colonizing nation, but the French have also failed as colonizers. The African possessions and dependencies of France have an area of about 2,300,000 square miles, with about 9,500,000 inhabitants, while in Asia the French possessions extend over less than 200,000 square miles, with a population of about 20,000,000. In addition to the above, France possesses two excellent fishing stations in the Gulf of St. Lawrence, St. Pierre and

Miquebon, close to the coast of Newfoundland; two fertile West Indian Islands, Martinique and Guadeloupe, beside the tropical colony of Cayenne or French Guiana, in South America, and in Oceania, France owns a total area of 9,000 square miles.

The several indications of the geographical advantages of the nations which are more likely to prove important factors in the trade of the Pacific, naturally leads to the consideration of the commercial value of the Pacific Ocean.

Remove the barriers which separate the waters of the Pacific from those of the Atlantic, and America, said Maury, is placed midway between Europe and Asia, and the Carribean Sea becomes the center of the world and the focus of the world's commerce. At the present the Eastern producing states of the Atlantic sea-board are practically cut off from a consuming area, which contains about three-fourths of the consuming population of the world, but when the Panama Canal is cut, and the waters of the Pacific are united with those of the Atlantic, the demands of this vast consuming population will be placed in the nearest producing markets, which will be the markets of the United States.

The wonderful growth of the railway and steamship traffic on the coasts of British

Columbia and the United States attests the importance of the Pacific, and by glancing down the coast there is seen the distinctly growing trade of Chili, Bolivia, Peru, Ecuador, Columbia, Mexico, and Central America; and the latest returns of the import and export trade of the Western sea-board of the American continent amounts to no less than £93,000,000 per annum, not including the coasting trade. Glancing at the map in another direction there is Oceania, Hawaii, Samoa, Fiji, New Guinea, New Caledonia, the Philippines, Dutch East India, Society Islands, and other groups, the figures given, exclusive of inter-island trade, amount to £59,250,000, the foreign sea-borne trade of Australia alone being valued at £136,000,000.

If the larger field of the Far East be entered, there is the sea-borne trade of the China treaty ports approximately valued at £78,500,000; Hongkong, £10,000,000; Japan, £40,000,000; Korea, £2,500,000; Siberia, £5,000,000; Siam, £10,500,000; French Indo-China, £11,500,000; Straits Settlements, etc., £76,500,000; Burmah and British India, £200,000,000; aggregating the sum of £429,000,000, and making a total of the value of the sea-borne trade of the islands and countries named of £717,250,000.

If the coasting trade of Pacific America

be estimated at £60,000,000, the Pacific Islands at £10,000,000, and that of the Asiatic Pacific at £200,000,000, with Australia at £12,750,000, the commercial value of the Pacific shows the grand total of £1,000,000,000; and a more valuable trade may be reasonably expected, and this total annually increased by the energy and industry can be the competing nations in the Arena of the Pacific.

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NOTE—The July number of the *North American Review*, 1903, contains a paper by Mr. O. P. Austin that should excite the renewed interest of the business men of the United States in the Pacific Ocean as a commercial arena. Mr. Austin is the Chief of the Bureau of Statistics of the United States Treasury Department, and the statistics adduced by him show that President Roosevelt was not idly prophesying when directing the attention of his countrymen to the importance of the mastery of the Pacific Ocean to their future commercial interests. Mr. Austin estimates that American exports have grown from seventy million dollars in 1800 to fourteen hundred millions in 1900, and that the exports of manufactures, during the same period, have increased from two millions to four hundred and thirty millions. If the distribution by grand divisions and the relation of manufactures to total exports be compared, then about one half of the total went to Europe, one-fourth to North America, 11 per cent. to Asia, 7 per cent. to Oceania, 6 per cent. to South America, and 3 per cent. to Africa. Manufactures formed practically 20 per cent. of the total exports to Europe, 33 per cent. of those to Africa, 52 per cent. to North America, 62 per cent. to South America, 68 per cent. to Asia, and 80 per cent. to Oceania. Another important fact is that the share which manufactures form of the total exports has steadily increased, while the general exports have been so rapidly growing. The total exports have

doubled since 1879, but those of manufactures have practically quadrupled meantime. The growth in the progress of manufacturing is made to appear by comparing the increase in production with that of other great manufacturing nations. The four great manufacturing nations of the world are the United States, Great Britain, Germany and France. The growth of the United States has been more rapid than that of any of the others, having, in the short period from 1860 to 1888, passed from the foot of the list to its head. But the period from 1888 to 1894 gave the United States much greater prominence. The actual increase in the value of manufactures produced in these four countries from 1888 to 1894 was:—France \$808,000,000, Germany \$1,362,000,000, United Kingdom \$1,455,000,000, United States \$7,591,000,000. Mr. Austin is not satisfied with showing the steady growth of the United States as an exporting, manufacturing and producing nation, but proves that the principal articles which form the great and rapidly increasing exports are such as the world will continue to require as a part of its daily life, and names iron and steel, mineral oil, copper manufactures, cotton manufactures, leather and its manufactures, agricultural implements, chemicals, wood manufactures, carts and carriages, and paraffin. These ten articles, or groups of articles, made up more than three-fourths of the total manufactures exported, and every one of them is of a class for which the world's demand is permanent and constantly increasing. My purpose in referring to, and quoting from, Mr. Austin's interesting paper is to impress as much as I can the great importance to the United States of the "Mastery of the Pacific Ocean," and especially to the states on the Pacific slope and their energetic inhabitants. I do not understand that the "Mastery" would mean hostility to any nation, but rather the preparation necessary to fully protect American interests on land and sea against hostility to the United States from any and all quarters. The phenomenal growth of the export trade of the United States clearly enjoins the duty of such adequate preparations as will secure for America an equality if not a superiority on the principal seas of the world.

One of the most influential journals of the United States, *The Baltimore Sun*, recognizing the important bearing of this

subject, contained the following as a leading editorial, in one of its July numbers, under the heading "The Panama Canal and Commercial Supremacy."

"There are French economists and students of world politics who believe that the construction of the Panama Canal by the United States Government will be followed by the decadence of Europe; that Baron Humboldt's prediction that the commerce of the Pacific will some day surpass that of the Atlantic will be realized; that Benton's assertion that 'the rule and empire of the world belong to the route to the Indies and to the country which controls the commerce of that route' will be proved by coming events to have been a prophetic inspiration; that William H. Seward's prophecy that 'the Pacific Ocean, its shores, its isles, and the vast regions beyond will become the principal theatre of events in the great future of the world' is destined to come true. These Frenchmen tell us that the time is rapidly approaching when American mastery of the Pacific will spell ruin for the Old World. Conspicuous among those who hold this opinion is M. Jean Izoulet, who discusses the subject of American supremacy and European decadence in a notable article in the *Paris Figaro*.

"M. Izoulet is confident that the supreme revolution upon this planet of ours—a revolution geographical, commercial and political—is to be accomplished in this twentieth century. 'The Suez Canal,' he says, 'gave England an immense advantage. The Panama Canal will transfer this advantage to the United States with the certitude that it can never be displaced by a geographic cause. The United States will attain commercial supremacy on the Pacific, and this, in the French economist's view, will be the final supremacy. Bordering on the Pacific are 'all of the great undeveloped and habitable portions of the earth, saving Africa only—countries capable of incredibly enormous development, namely, North America, South America, Australia, Siberia, and the rest. . . . The countries bordering on this ocean are singularly rich in precious metals, which abound in Australia, the Philippines, Japan, Corea and China and on the America side from Alaska to Patagonia.' 'The Pacific is, in truth,' declares M. Izoulet, 'the great sapphire of the world, set in gold and silver.' On the

Pacific coast America is to 'build her real facade. San Francisco, they say, 'is now 3,000 miles from New York.' The time will come when New York will be 3,000 miles from San Francisco. And across the Pacific the two giants, Yankee and Slav, will presently find themselves face to face for the death struggle prophesied sixty years ago by Palmerston."

Will we win when the earth is shaken by that mighty conflict foretold by the British statesman and now declared half a century later by the French seer to be an inevitable phase of the gigantic world revolution in the twentieth century? M. Izoulet will not commit himself to any prophecies on this point, but it may be inferred that he does not think the United States will be overwhelmed. What he takes no pains to conceal, however, is his conviction that France ought never to have abandoned the isthmian canal project, which is the key to the Pacific Ocean, the "central and final meeting-place of terrestrial civilization" The confiscation and monopolization of the canal by the United States may bring about the ruin of Europe. The Old World, evicted from access to the Pacific save by a precarious passage, will "founder and sink." The fact of "the true center and final meeting place of civilization" will be determined by the United States and Russia.



WESTERN NATIONS IN CHINA.

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Great Britain, Russia, France and Germany are now entrenched on the mainland of China. There are other Western nations of less commercial importance, but as ambitious to acquire territory, which manifest an interest in the policy to be adopted towards China, while Japan, the first in civilization and in civil and military reputation of Asiatic nations, is fully awake to all current history.

The policy of Great Britain towards China has been directed on commercial lines and with the view to promote trade. It has been a broad policy and open in its invitation to all other trading nations. Wherever the British flag has been planted in any part of the world a better system of government has been inaugurated and benefits to all have followed. The traveller sees in every Asiatic port, open to international commerce, the beneficial effects of the presence of British merchants. There is not an open port in China which, if swept by a fire confined to British owned property, would not be

despoiled of its beauty and more than half of its wealth; and the churches and schools which are always the result of British occupation or settlement attest the sterling qualities and enlightened manhood of that branch of the Anglo-Saxon race. Whether this pacific and civilizing policy is to be changed by the contentions of other nations for spheres of influence in China can be best answered when future developments make plainer the course that will subserve British interests. A nation is not required to have its interests jeopardized by pursuing any policy with a blind consistency, and it should be expected that an enterprising nation like Great Britain, possessing such valuable rights and interests in China, will not be found asleep when commercial rivals, and probably the enemy, show themselves in her path.

Of the nineteen thousand foreigners in China more than five thousand owe allegiance to the British flag, and of the eleven hundred mercantile firms more than four hundred conduct their business and are protected by that flag, which shows a superiority in population and mercantile strength that has secured for the British flag about three-fourths of the entire foreign trade of China. The adverse critics of British policy in China do not apparently consider accurately the important interests connected with and

dependent on that policy. Not to be circumspect would endanger it, but to be rash would probably entail serious injury, and being assured in sea power there need be no apprehensions in awaiting the fullest developments.

The position of Great Britain in China is not easily assailable, and there is no apparent probable combination that could force her from her present position. In the south of China, the Island of Hongkong is a fortress and a naval base of great strength and resources, and the recent acquisition of Wei-hai-wei enables the British navy to command from that base the northern seas of China as well as to exert an influence on the mainland of that part of the Empire; and if the valley of the Yangtsze River should become a British sphere of influence, then in Central China Great Britain will control the commerce and mineral resources of six provinces, measuring an area three times the area of the British Isles and containing a population larger than the population of the United States. The Yangtsze River is one of the largest rivers in the world and drains nearly a million square miles of territory as fertile as any in the world.

At Hongkong and Wei-hai-wei Great Britain is in peaceful possession, but it is not so

certain that, should she prefer a claim to the Yangtsze Valley, it will be as quietly acquiesced in, for such a claim, in all probability, would be challenged by more than one of the competing nations for the trade of China. But if China is to be reformed and regenerated under Western influence there can be no doubt, if the past is any criterion, that the best elements of civilization would be promoted more rapidly under the directing influence of the Anglo-Saxon race.

Great Britain is not only interested in the future of China, because of the acquisition of territory and a valuable sea-going commerce, but Britishers are engaged in important enterprises for developing the internal resources of the Empire. For the construction of railroads and the opening of mines some very valuable concessions have been made to British subjects, and the work thus far done evidences the skill and completeness that argues favorably for that which is to follow. Some of the banks of the greatest financial strength in China are owned and supervised by British financiers, and this fact gives to British trade and enterprise a feeling of confidence and permanence which have been potent agencies in securing and enlarging it.

But different towards China has been the policy of Russia. Heretofore the military

instead of the civil arm has been oftener and with greater potency exercised in influencing Russian diplomacy, but the building of the Siberian railroad proves the grandeur of Russia's plans. It equals in conception any undertaking of ancient or modern times, and must prove an influential agency in the commerce and travel of the world. The discovery of the passage around the Cape of Good Hope changed the route of the world's commerce; the cutting of the Suez Canal gave another direction to it; the completion of the Panama Canal may change its course again, but, while the Siberian railroad may have been conceived and built as a military measure, yet, the thoughtful should see, in the ultimate results, a closer bringing together, in the peaceful marts of business, races which before knew each other on the field of war only. Whether it facilitates the annexation of Manchuria, or will enable the Cossack to water his horse at an earlier day in Peking, it would be unjust to deny to Russia the right to fully protect such an outlet for her resources and such an inlet into the Russian Empire for civilization.

It has been written, that the Magna Charta of Russia in China dates from the treaty executed at Peking in June 1860, and

the main provisions of which are "the cessions to Russia of Lakes Balkash and Issik Kul in Turkestan; the appointment of a commission for the rectification of the frontier of the Usuri River; the establishment of free trade on all common frontiers; the concession of the right to trade between Kiakhta and Peking; to appoint a Russian consul at Urga; the liberty of all Russian merchants, provided with passports, to trade throughout China, when they do not congregate in numbers greater than two hundred; and finally, commercial dealings are granted total indemnity from restriction of any kind."

The treaty of 1860, accords substantial rights to Russia, which have been utilized, and in 1863, when the Mahommedans of Jungaria attempted to free themselves from Chinese rule, and while the rebellion was unsettled, the Russians marched into Kuldja and occupied the Valley of the Ibi, and this position was held until, by the treaty of 1881, the Russian forces were withdrawn from Ibi in consideration of China paying a large indemnity and according to Russia the right of navigation on the rivers of Manchuria.

From 1881 to 1885, there were no overt acts on the part of Russia indicating Russian policy towards China, but Russian surveyors

were busy surveying every province of China and collecting information bearing upon the resources, government and strategical positions of the Empire, all of which were carefully prepared and verified for future reference.

It is now generally believed that the war between China and Japan presented the occasion for the renewal of the activity of Russian diplomacy, and when, in the treaty of Shimonoseki which ended that war, China ceded the Liaotung Peninsula to Japan, Russia promptly availed herself of the occasion to defeat, by force if necessary, the provision of the treaty which would have established Japan on the mainland of China.

In this action on the part of Russia, France and Germany joined, but it was the voice and hand of Russia that was first heard and seen, and while thought by some to have been an act of friendship in the interest of China, those who were accustomed to look below the surface plainly saw Russian diplomacy and not Russian friendship. Soon after Japan was thus deprived of the legitimate fruits of her victory over China, events moved quickly and the rapid development of Russian diplomacy has given prominence to the Far Eastern Question.

Under a nominal lease Port Arthur was delivered to Russia on March 25th, 1898, with the Liaotung Peninsula, and the previously

granted railway concessions were extended for the construction of railways in Manchuria. It would probably not be a violent expression of opinion to write, that the lease for the Liaotung Peninsula and certain rights in Manchuria will ultimately prove a fee-simple deed to Russia.

The map shows that the Liaotung Peninsula forms the thin edge of the wedge of Manchuria, and that Port Arthur is one of the important seaports, the whole country being bounded by Russia on two sides and the Mongolian steppe and Korea on the other, and there are other strategical positions commanding the territory indicated, which are occupied by Russian soldiers, and which are evidences that Russia has long been maturing the plan for the diplomatic victory recently and so completely won. And, whatever may be the impression as to the justice or injustice of Russian diplomacy, its depth and strength and perseverance command admiration even should they fail to excite commendation.

If Mongolia and Manchuria are to remain practically Russian possessions, and Chili and Kansuh are to be added, there will be more than a million and a half square miles of Chinese territory under the influence, if not ownership, of Russia, and territory, the possession of which, guards the capital of China.



No Western nation has made such rapid and large acquisitions of Chinese territory as Russia, and the situation of this nation gives it the dominant influence in the politics of China. Probably at this time Russia has more influence in shaping the policy of the Chinese Empire than all other Western nations, and this influence may be attributed to the unflinching aim of Russian diplomacy.

If France has been correctly understood in her claim for territory in China, that claim would comprise the provinces of Kwangsi, Kwangtung, Kweichow and Yunnan, which together measure an area of about 350,000 square miles, and as the French sphere in Indo-China comprises the protectorate of Annam and Cambodia, the provinces of Tonkin and Cochin China, there would be the additional area of 315,250 square miles; and France is the second nation in sea-power, and has as many as 30,000 soldiers in Annam and Tonkin.

The policy of France, as it relates to territory in Asia, and it may be the same elsewhere, has fused with the aim of commercial advantages the ambition for military renown, with the latter sentiment predominant, but the lines of railway that France has inaugurated are pointing towards the provinces, which Great Britain prefers should be developed by

British industry, and opposes the idea that the commercial sentiment will continue to be subordinated.

The unrest that too often disturbs public sentiment in France unfortunately neutralizes the great industry of the French people and diverts the concentration which would achieve lasting and beneficial success in industrial fields. A people as economical and skilled in financial ability as the French, and as unsurpassed in energy, merit a settled government, and it is now evident that business interests are exerting a decided influence on the French mind and character and promise the repose which must convince that the victories of peace are more lasting than the ephemeral triumphs of war.

The relations between Germany and China date from 1861, when the King of Prussia sent a mission to Peking, and the treaty of Tientsin was signed. In 1880, a second treaty was concluded between the two nations similar to the treaty that had been concluded by China with Great Britain and France. The next intimation that Germany seriously contemplated a policy towards China was the speech of the Germany Foreign Secretary, in the Reichstag in 1896, announcing an understanding with Russia respecting the future policy of Germany in

China, and it was not long after this announcement when Germany made use of the opportunity to demonstrate what that policy would be.

In November 1897, two German missionaries were killed by robbers in the province of Shantung, and the consequent negotiations on the subject between China and Germany ended in Germany leasing Kiaochau as a naval base, and thus practically possessing the entire province of Shantung.

Such was the first advent of Germany on the mainland of China, and the Imperial authority exercised over the province, by virtue of the lease, practically converts it into a German possession.

There are now in China more than thirteen hundred German residents, and one hundred and forty-five business firms of German nationality, and the trade between Germany and China is increasing while the territory of Shantung, over which Germany has control, measures an area of 55,970 square miles. There is no aspect of this trade or this influence that shows any weakening, but approximate statistics prove all to be vigorous and steadily advancing under the prestige and power of the German Government, which is ever present to enlarge and push it into every conceivable opening.

In addition to being entrenched on the mainland of China, the four nations named are building railroads and are engaged in other internal developments of China, until now their interests are located in nearly every section of the Empire, thus holding them to the mainland, not alone by the leases given by China, but by far greater prospective profits.

If the policy of the four nations be contrasted, in connection with its apparent aim towards China, there seems to be more similarity between that of Great Britain and Germany, and the policy of France is even more commercial than Russia's, but, in the love for real estate and the ambition to acquire it, there is less difference, although some have made more rapid and larger acquisitions than others.

According to Krausse, even in 1896, in the Empire of China, Russia *controlled* 462,000 square miles of territory, with a trade estimated at not more than £2,800,000; Great Britain, 200 square miles, with a trade of £39,200,000; France, 157,600 square miles, with a trade of £5,600,000; Germany, 55,970 square miles, with a trade of £2,700,000. But if Great Britain is to control the Yangtze Valley, there would then be added to the British area 607,000 square miles and a population of 180,000,000.

There are ten treaty ports on the Yangtze River and its tributaries now open to foreign trade, and to which Western nations can send their ships or locate their merchants, and whether China would be permitted to grant control of the territory, in which these ports are located, to any one nation, is a question which would probably disturb the harmony of diplomatic relations. If Great Britain should acquire the control of the Yangtze Valley her position in China would be infinitely more advantageous than that of any other nation..

The rapidity with which events are moving in Asia, and particularly in China, should not cause surprise if nations, other than those named, appear on the scene of China's transformation or decay. While the four named are the largest European nations, there are others from that part of the world which, although not so strong in resources, might be utilized by a powerful rival as a shield behind which diplomacy could hide its plans or real meaning.

There is also Japan, with a large resident population, and with a trade with China, valued at a few thousand dollars less than the trade of Great Britain, ambitious and progressive and fully alive to all the moves

being made on the chess-board of the world. The recent treaty of alliance between Great Britain and Japan is apparently a peaceful preserver in Asian lands and seas, and may prove fortunate in its conception, but a nation, like an individual, must be self-reliant, in order to secure and hold the respect or friendship of other nations. Japan has recognized this fact, and as I write these words the news comes that Russia has disclaimed any intention of annexing Manchuria or closing any part of it to equal trade opportunities.

But the fact stands out in bold relief that the sleeping days of China are over, and she will not be permitted to bar real progress any longer. The most powerful nations of Europe hold title-leases to strategical positions on her mainland, and China will never be able to compel the surrender of such leases. The Great Empire, as the result of its sleep for centuries, has no voice in shaping international policies. Its wilful refusal to listen, even to friendly admonition, and to move forward in self-protection, justifies the withholding of all manly respect, for, if allowed, China would turn over and go fast to sleep again. And as a consequence of the absence of a patriotic spirit, and a national sentiment which would prove a bond of unity and strength, the

partition of China is still a subject before the foreign offices of European powers. Whether the leases or deeds held by Great Britain, Russia, France and Germany are entering wedges to a partition, is an open question, and in this connection it will be of interest to consider some commercial characteristics peculiar to the merchants of China.

If China be divided into three grand commercial sections, the dissimilarities of the inhabitants of each in taste and commercial habits appear striking. In the North of China, comprising the territory of Manchuria, the social standard of the people is below that of the people in the Central and Southern parts of China, but their tastes are towards luxurious habits and are becoming more so as they become familiar with foreigners. The exports from Manchuria are chiefly agricultural, and that section of China will become a rich agricultural country when developed, and will offer an unrivalled market for foreign manufacturers. The extent of the territory, already vast, has been increased by reclamations, and there is much land still awaiting reclamation.

The two most important open ports in the Northern section are Tientsin and Newchwang, and it is to these ports that the importations of the Northern section are entered for

distribution to the interior markets. The maps of China and Japan show that this Northern section lies in close proximity to Japan, and this may be a main reason why Japan is watching so closely with intense interest the advance of Russia in Manchuria. The industrious and venturesome Japanese merchant has quickly appreciated the importance and value of the Manchurian markets for Japanese manufactures, and may be expected to cultivate those markets with all their known zeal. The product of the looms of Japan, and the sugar of Formosa will soon be rivals to the products exported by America and Europe; but American cotton piece goods are at present the popular articles of the foreign importations, and their popularity may be made permanent and the value of the trade in these articles largely extended and increased. Japan is not alone interested in Russian advances in Manchuria. It seriously concerns American merchants, until some definite understanding can be had with Russia on the subject of Russia's policy with reference to fiscal regulations, for the policy, political and business, of Northern China is so evidently becoming the policy of Russia that the government of the United States, to safeguard the prosperous interests of American merchants in that section, ought not to omit having a most



carefully worded understanding with Russia\* on this important subject.

The Central section of China is along the sea coast and comprises the territory along the Yangtze River. It has wealth and fertility, is well watered, and is superior in fertility and productive capacity, and favorable for commerce. The inhabitants are comparatively wealthy, enjoy and are fond of luxury, and the merchants possess great capital; any combination formed with the view of controlling prices would be materially felt in the markets of China. There is no section of China so favorable to a large commerce and the prospect of gain as the territory comprised within this Central section.

The merchants of China in the Central section are conspicuous for wealth and ability, and co-operation with the more influential would doubtless lead to beneficial results in the way of commercial extension and more intimate acquaintance with Chinese mercantile life.

In the Southern section, which comprises Fuhkien, Canton and the adjacent districts, the Chinese merchants are specially efficient in their profession, and are quite competent to maintain their part in any commercial transaction. The district in which Canton is situated is superior in fertility and resources to the Fuhkien district, and its physical features and

natural productions invite cultivation and are capable of great developments.

In commercial integrity the merchants of China favorably compare with the merchants of other countries. They are thoughtful of their obligations, though the prospect of loss is sometimes a reminder for finding a way for not complying with their contracts; and there is a solidity in the bearing of Chinese merchants that impresses their superiority over other Asiatic merchants, and causes less hesitation and circumspection in dealing with them; and this characteristic is worthy of remark to their credit, when the system of the Chinese government, in practical administration, tends to cultivate suspicion and distrust. Under a better system of Government their merit would be more favorably known and no agency would be so potent in developing and making China wealthy and respected as her mercantile class.

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NOTE.—The distinction between the rights acquired by way of "Protectorate" and those under a "Sphere of Influence" is thus defined by Hall in his book on International Law:—

"States may acquire rights by way of protectorate over barbarous or imperfectly civilised countries, which do not amount to full rights of property or sovereignty, but which are good as against other civilised states, so as to prevent occupation or conquest by them, and so as to debar them from maintaining relations with the protected states or peoples. Protectorates of this kind differ from colonies in that the protected territory is not

an integral portion of the territory of the protecting state,\* and differ both from colonies and protectorates of the type existing within the Indian Empire in that the protected community retains, as of right, all powers of internal sovereignty which have not been expressly surrendered by treaty, or which are not needed for the due fulfilment of the external obligations which the protecting state has directly or implicitly undertaken by the act of assuming the protectorate.

"International law touches protectorates of this kind by one side only. The protected states or communities are not subject to a law of which they never heard; their relations to the protecting state are not therefore determined by international law. It steps in so far only as the assumption of the protectorate affects the protecting country with responsibilities towards the rest of the civilised states of the world. They are barred, by the presence of the protecting state, from exacting redress by force for any wrongs which their subjects may suffer at the hands of the native rulers or people; that state must consequently be bound to see that a reasonable measure of security is afforded to foreign subjects and property within the protected territory, and to prevent acts of depredation or hostility being done by its inhabitants. Correlatively to this responsibility the protecting state must have rights over foreign subjects enabling it to guard other foreigners, its own subjects, and the protected natives from harm and wrong doing.

"The term 'Sphere of Influence' is one to which no very definite meaning is as yet attached. Perhaps in its indefiniteness consists its international value. It indicates the regions which geographically are adjacent to, or politically group themselves naturally with, possessions or protectorates, but which have not actually been so reduced into control that the minimum of the powers which are implied in a protectorate can be exercised with tolerable regularity. It represents an understanding which enables a state to reserve to itself a right of excluding other European powers from territories that are of importance to it politically as affording means of future expansion to its existing dominions or protectorates, or strategically as preventing civilised neighbors from occupying a dominant military position.

"The business of a European power within its sphere of influence is to act as a restraining and directing force. It endeavours to foster commerce, to secure the safety of traders and travellers, and without interfering with the native government, or with native habits or customs, to prepare the way for acceptance of more organised guidance. No jurisdiction is assumed, no internal or external sovereign power is taken out of the hands of the tribal chief; no definite responsibility consequently is incurred. Foreigners enter the country with knowledge of these circumstances, and therefore to a great extent at their peril. While then the European state is morally bound to exercise in their favour such influence as it has, there is no specific amount of good order, however small, which it can be expected to secure. The position of a European power within its sphere of influence being so vague, the questions suggest themselves whether any exclusive rights can be acquired as against other civilised countries through the establishment of a sphere, and in what way its geographical extent is to be ascertained.

"The answer to both these questions lies in the fact that the phrase 'Sphere of Influence,' taken by itself, rather implies a moral claim than a true right. If international agreements are made with other powers, such as those between Great Britain and Germany and Italy, the states entering into them are of course bound to common respect of the limits to which they have consented; and if treaties are entered into with native chiefs which, without conveying any of the rights of sovereignty involved in a protectorate, confer exclusive privileges or give advantages of a commercial nature, evidence is at least afforded that influence is existent, and it would be an obviously unfriendly act within a region where any influence is exercised to try to supplant the country which had succeeded in establishing its influence. But agreements only bind the parties to them, and no such legal results are produced by the unilateral assertion of a sphere of influence as those which flow from conquest or cession, or even from the erection of a protectorate. The understanding that a territory is within a sphere of influence warns off friendly powers; it constitutes no barrier to covert hostility. The limit of effective political influence is practically

the limit of the sphere, if another European state is in waiting to seize what is not firmly held, and an aggressive state is not likely to consider itself excluded, until the state exercising influence is ready, if her legal situation be challenged, to take upon herself the responsibility of a protectorate. Even as between an influencing state and powers which are friendly in the full sense of the words, it has to be remembered that the exercise of influence is not in its nature a permanent relation between the European country and the native tribes; it is assented to as a temporary phase in the belief, and on the understanding, that within a reasonable time a more solid form will be imparted to the civilised authority. It is not likely therefore that an influencing government will find itself able, for any length of time, to avoid the adoption of means for securing the safety of foreigners, and consequently of subjecting the native chiefs to steady influence and pressure. Duty towards friendly countries, and self-protection against rival powers, will alike compel a rapid hardening of control; and probably before long spheres of influence are destined to be merged into some unorganised form of protectorate, analogous to that which exists in the Malay Peninsula."

The nations, having "spheres of influence" in China, are hardening their control in accordance with the doctrine which Hall makes clear as a necessary consequence, and the doctrine is based on the high considerations of duty towards friendly nations and self-protection against rival powers. The logical consequence of granting a sphere of influence to a Western nation does not appear to have ever occurred to Chinese statesmanship, but they will soon understand its full meaning, for no Western nation can afford to claim exclusive industrial rights within its sphere of influence without undertaking the usual safeguards for the protection of life and property therein, whether of natives or of residents for business purposes, and such a safeguard the highest authority on international law gives the nation having the sphere of influence the right to undertake.

The "Open Door" doctrine, which has been the living subject of the foreign offices of Western nations for some time, is a doctrine pertaining to the sovereignty of China, and which China should maintain in the interest of the fairness of international trade

relations. If China wished to open her doors to the trade of all nations she has granted so many leases and spheres of influence as to circumscribe much of her territory, and if the grants are continued the best trading ground in China will be covered by leases and spheres of influence, which must eventually result in a division of the Empire. The point has very nearly been reached where China will not have the ability to either close or open her doors, and it is a shameful position for an Empire, so capable in resources, to occupy before the world.

## POLICY

In the *Lore of Cathay* Martin writes that the modern history of China commences two centuries before the Christian era, and he divides it into three periods. "The first, extending from the epoch of the Punic Wars to the discovery of the route to the Indies by the Cape of Good Hope; the second, comprehending three centuries and a half of restricted commercial intercourse; the third, commencing with the so-called 'Opium War,' 1839, and covering the sixty years of treaty relations."

It was during the second period that China is supposed to have first become aware of the existence of the principal nations of Europe, and during that period sustained towards some of them relations more or less of a treaty or commercial character.

Anterior to the second period, it would seem that China was not aware of the existence of any Western nations, and had no knowledge of events transpiring in the Western half of the world, and did not care to have any information on the subject.

The Chinese appear to have been fixed in the belief that China was the center of the Universe, and that the nations then known, as well as such as were unknown, were but tributaries to the great Central Empire. The belief was encouraged by the fact that all neighboring nations paid tribute to China, and even the Japanese, when Xavier visited Japan in the 16th century to introduce the Catholic faith, objected because an intelligent and refined nation like China had refused to receive it. Thus it may be understood how the superiority over other nations, which China has so long claimed for herself, could have originated, and, in addition to the servile attitude of the neighboring nations, comparison with them on any lines of culture clearly proved China's superiority.

In addition, China could also claim the prestige of age. The origin of the Chinese, and when they came into the world, have never been satisfactorily settled. They are like the sources of some great rivers which are so ancient that their origin has never been discovered. Confucius could not trace the annals of his native state Lou beyond the year 722 B.C., but there is recorded in Chinese history an account of an eclipse which shows that China was inhabited and civilized



2155 B.C., while some Chinese scholars ante-date this last date by a few thousand years as being the correct date of the beginning of her ancient history.

It is known, however, that China is the only Empire of Asia whose civilization has been developed under its own institutions; whose government has been modeled without reference to that of any other; whose literature has borrowed nothing from the scholars of other lands, and whose language is unique in the antiquity of its system and structure. And the human race, in its wide and rapid progress, does not wish to forget that its birthplace was Asia, and that the wise kings of history sat upon Asian thrones.

What I have written above is to indicate, that China is not wholly without reason for thinking herself superior to other nations, and for the policy of exclusion, which she maintained so long, and would probably be as ready to maintain and enforce now if possessing the power. The admitted superior culture of China over neighboring nations, and at one period over all nations, and the servile spirit in which she was approached by her neighbors naturally administered to her pride. And China could not have had much reason to change her mind when she first made the acquaintance

of Western nations, for, as late as 1816, Lord Amherst, and the embassy of which he was the head, were insultingly sent from Tientsin to Canton in Imperial Chinese boats, with colors flying, on which were inscribed the words "tribute bearers," and with a letter from the Emperor of China to the British Prince Regent in the following words: "Hereafter there is no occasion for you to send an ambassador so far, and be at the trouble of passing over mountains, and crossing seas, I therefore sent down my pleasure to expel these ambassadors, and send them back to their own country, without punishing the high crime they had committed."

In 1833 Lord Napier was sent to Canton as superintendent of British trade, and, under instructions from Lord Palmerston, was to announce to the Viceroy of Canton his arrival at that port, and to ascertain whether it was practicable to extend trade to other parts of the Chinese dominions. In answer to Lord Napier's letter, announcing his arrival as superintendent, the following proclamation was issued by the Viceroy:—"The lawless foreign slave, Napier, has issued a notice, We know not how such a dog of a barbarian of an outside nation as yours can have the presumption, being an outside savage superintendent, and a person in

an official situation, you should have some knowledge of propriety and law. . . . You presume to break through the barrier passes, going out and in at your pleasure, a great infringement of the rules and prohibitions. According to the law of the nation the royal warrant should be required to behead you; and openly expose your head to the multitude, as a terror to perverse dispositions."

Intercourse between the United States and China commenced in the year 1786. In 1821 it was interrupted at Canton in consequence of a sailor on board an American ship having, as was alleged, dropped a pot overboard, by which a Chinese woman was accidentally killed. The Chinese judge came on board the American ship and conducted the trial. The sailor was condemned and ordered to be put in irons, but the captain of the ship refused. Afterwards the sailor is reported to have voluntarily surrendered himself to the Chinese authorities and was strangled by their order. The proclamation published by the Viceroy in connection with the trial and execution was in a tone of lofty superiority and arrogance.

In 1844 the United States government sent an embassy to China under the direction of Caleb Cushing, for the negotiation of a treaty between the governments at Washington

and Peking similar to the treaty entered into a few years previously between China and Great Britain. Mr. Cushing was received at Canton by the representative of China, and apparently with courtesy. A treaty was entered into between China and the United States, and as the Chinese representative was so much opposed to Mr. Cushing proceeding to Peking, the latter, in a spirit of conciliation, refrained from attempting it. But in his report on the subject, the representative of China assigned, as the reason why Mr. Cushing should not proceed to Peking, that the United States had "never sent tribute." In the report to his government, with special reference to the treaty, the following language is used by the representative :—"The original copy of the treaty, presented by the said barbarian envoy, contained forty-seven stipulations, and the sense of many was so meanly and coarsely expressed that it was next to impossible to point them out." There are other references as discourteous, and which prove that China assumed that she could insult with impunity the two great Anglo-Saxon nations, and they tolerated it for a long time.

I have selected Great Britain and the United States, because the history of the relations of these two nations with China is

representative, and because it is illustrative of the haughty spirit of China, which was not properly met and crushed at the time. Had China then been held to the strictest accountability for her discourteous and insulting attitude, it is probable that much of the trouble which has followed would have been avoided. And it is doubtful if the time has yet come when a conciliatory or benevolent policy, on the part of Western nations, will excite either the gratitude or the confidence of the Chinese government.

A long time after China had become acquainted with the principal nations of the West, and had entered into treaty relations with them, there appeared no difference between her ancient and modern policy, the haughty spirit which distinguished the policy of the former manifested itself in the latter, and it was encouraged by the uniform toleration of Western nations. As late as 1842, commerce with China was restricted, in the main, to the port of Canton, where it was hampered by the most vexatious regulations imposed by the Chinese authorities at that port, and no one can surpass the skill of a Chinese official in interposing delays and finding means to embarrass trade when so inclined.

But at last the Chinese presumed too far on the patience of the British government. It

was when a British ship, with a cargo of opium, was boarded by the Chinese authorities, the opium seized and thrown overboard. Then resulted what is known as the Opium War, and the treaty of 1842, when Great Britain, by the argument of her cannon, convinced China that it was advisable to open four ports in addition to Canton, and these were Shanghai, Amoy, Foochow and Ningpo, where British subjects could trade with whatever persons they pleased, with a consul at each of the ports, and who became answerable to China for dues and charges payable by British subjects, thus abolishing the agency of the hong-merchant. It was the treaty of 1842 that guided Caleb Cushing in the treaty he negotiated with China, and which was soon followed by France making a similar treaty.

But the lesson impressed on China by Great Britain was temporary in affecting China's policy, though it was useful in a commercial sense, and doubtless for a time awakened China to the importance of learning international law and appreciating the duties, obligations and responsibilities of nations. It was not, however, until 1858, that the ministers of Western nations were granted permission to reside at the capital of China, and not until 1873 were they allowed to

present themselves in person to the Emperor. The first reception ever given by an Empress of China to the wives of foreign ministers at Peking was given in 1898, when it was heralded to the world that China had abandoned her exclusive policy, politically and socially, but two years later the gates of her capital were closed, the minister of Germany was assassinated, and for two months the Chinese employed themselves in the attempt to kill all the other foreign ministers, their wives and children, and every foreigner in Peking. It cannot be argued from that attempt at wholesale murder that China had been a serious student of international law, or that foreigners can believe that she has sincerely changed or modified the policy which so long excluded them from her shores. Without the confidence of security, foreign life and enterprises will have to be guarded and protected through the agency of Western soldiers, which can seldom be promotive of commercial intercourse in the sense to make it mutually prosperous. And if there are foreign soldiers in China, it is because the government of China, when called to account for the murderous attempt by its subjects at Peking in 1900, confessed inability at that time to protect the accredited representatives of

foreign powers at its capital; and so long as China is on record as not having the power to safeguard human life in her capital, or the railroads and other enterprises, which foreigners are building and are engaged in under contracts with China, she should expect there can be no justly admitted cause for complaint when Western nations send soldiers to guard the lives and enterprises of their citizens or subjects. Let China prove herself capable of protecting life and property within her borders, and then she can with reason ask for the withdrawal of foreign soldiers from her soil. Such is the advice her best and truest friends will offer, though it is not the advice of the flatterer, and unfortunately she has had too many of the latter.

But it was reserved for Japan to expose the weakness of China, as never exposed, and to humble her pride, but the humiliation could have never been put upon China had she not remained stubbornly inactive to the warnings of progress. Of all Asiatic nations, Japan deserves the credit for breaking down the wall of conservative isolation which China, more than another, had built and industriously endeavored to keep in complete repair. When Commodore Perry pointed Japan to a new civilization, with its strength and busy industries,



the Island Empire responded, and began the preparation to receive and utilize it in every way suitable to her condition. China was also fully advised, that if she wished or expected to maintain her position as a nation, and have a voice in influencing the politics of Asia, it would be necessary to recognize that Western civilization knew no receding ebb, and that no barrier could stop its progress; but the advice was unheeded, and in consequence, during the war between Japan and China, in 1894, China was ignominiously defeated on every battlefield and her ships of war fell an easy prey to Japanese naval prowess.

After the thorough defeat of China, Japan proved that her aim was not mere conquest of territory, but, in the main, the spreading over China and all Asia the invigorating influence of the civilization to which her own success was so largely due.

No treaty had ever been made with China with a broader commercial scope, than the treaty of Shimonoseki, which ended the war, and which is the record of China's defeat, as is that of Japan's desire to expand trade. The treaty secured for foreigners in China the introduction of modern commercial methods; it opened the waters of the principal rivers and canals to foreigners, giving them the right to

purchase goods or produce in the interior of China, to rent warehouses without payment of special taxes or exactions, to engage in manufacturing industries at the existing treaty ports, to which several new ones were added, and to import all kinds of machinery. The commercial world saw the advantages and there was a quick movement in the direction of China, which continues to gather momentum as the years go by. No nation of the West, or any other section, had ever secured such advantages in favor of new and enlarged and expanding commercial intercourse with China as Japan had secured in the interest of the trading world, and after achieving such a triumph for free trade intercourse, the two greatest commercial nations were silent when Japan was being forced, by the threat of an overwhelming physical power, from a position which was hers by every right of war, and which is now in the possession of one of those threatening powers, whose present territorial acquisitions is the liveliest subject that engages the attention of the foreign offices of Great Britain and the United States.

In the treaty of Shimonoseki, China ceded to Japan the Liaotung Peninsula, but Russia, France and Germany combined and said to Japan that the cession should not be effective

and that the government of Japan should not remain in possession of that peninsula. In the face of such a combination Japan was compelled to yield and accept other compensation from China, and here appears another feature of the policy of China, for, when her policy of exclusion has been forced, she would involve foreign nations, in the hope of finding a way to escape, in order to relapse into her usual conservative grooves. In this particular instance China succeeded in her invitation to Russia, France and Germany, an invitation which no doubt was most readily accepted, and Japan was humiliated to a certain extent, but that invitation and the acceptance is now proving somewhat troublesome if not disastrous to China.

Could Great Britain and the United States have foreseen what the forcing of Japan from the Liaotung Peninsula really meant, would they have been so silent? The author of that move was looking far ahead and Russia is profiting more by it. The move was successful, but it is probable that had Great Britain and the United States spoken distinctly on the subject, at the time, the Manchurian question would never have grown into its present proportions, and American and British trade in that part of China would not be endangered as it now appears to be.

The diplomatic strategy by which Russia has entrenched herself on the Liaotung Peninsula and in Manchuria may be justified by the necessities of the Russian situation. Russia had long been in possession of the port of Vladivostock, which had been chosen as the terminal of the trans-Siberian line, but the harbor of Vladivostock is ice bound in winter and, therefore, with all consequent disadvantages. It was necessary for that great line of railway to have a terminal at some port on the Pacific exempt from all disadvantages to trade, and in the search for a port, ice free, the march of events, utilized by the most skilful diplomacy, placed Russia in possession of valuable concessions in Manchuria, the port of the future Dalny, and the fortress of Port Arthur. The advantages thus acquired by Russia are within the Chinese Empire and the government of China ceded them. But now, when China begins to realize the far-reaching nature of the cessions made to Russia she would, to liberate herself, push the United States, Great Britain and Japan forward to contest Russia's right to be in Manchuria, a right which China herself has confirmed. And that is another feature of China's policy.

In this connection the digression will be pardoned to inquire why Russia has been so

consistent and persistent in her effort to find and own proper outlets to the Pacific Ocean, an inquiry that may be answered by studying carefully the map of the world and Russia's position. Within the past two centuries there have been three very important movements by the Russian Empire. The first was made by Peter the Great for an outlet to the North Sea, and was successful; the second, by the Empress Catherine, for an outlet to the Black Sea, which was also successful; while the third, under the present Emperor of Russia, to plant his flag on the shores of the Pacific, has been crowned with complete success; and when the way to the Persian Gulf is made free, thus completing the outline of the Russian Empire, Russia will have access to the Atlantic, the Pacific, the Indian Ocean, and the Mediterranean. Besides, between the capital of Russia and the Pacific Ocean lies Siberia, with an area nearly twice that of the United States, sparsely populated and undeveloped, and with a climate similar to the climate of Minnesota, and a soil admirably suited for wheat. Such a territory, embracing six million square miles, needs to be populated and developed, but neither can be successfully done without the aid of railroads with advantageous terminals. Russia, too, is fully aware of the value of the

Manchurian markets for cotton goods, and that is why the cessions which placed her in that territory are so aggressively maintained. Russia holds the fifth place in the cotton spinning industry of the world, and although the staple of Russian cotton has heretofore been inferior, it has, in recent years, been materially improved by the American upland variety, which has thrived finely in Central Asia. The irrigation plans for the steppes of Asia will reclaim a still larger area, and with the cotton lands developing in Caucasasia, it is no random prediction that Russia will become independent, if not a competitor, as a cotton growing country, and, therefore, is more apparent the reason why Russia intends to control the markets of Manchuria; her statesmen are looking to the future and will be sure to guard the strategical positions of the present.

When Russia is so rapidly acquiring possession of the territory of China, and giving to her action the proofs of permanent occupancy, possibly with China's consent, it would be reasonable if Great Britain, France and Germany, also in possession of certain parts of China's mainland, should look to larger fields than the spheres of influence which at present circumscribe their supposed vested rights of industrial operations. And

should these three nations decide to enlarge their spheres by the acquisition of additional territory, as Russia is doing, the area of the Chinese Empire would soon be materially curtailed. If the dismemberment of the Empire should come about, it is likely to begin by gradual acquisitions under the contention that when China cedes large areas of her territory to one nation, ostensibly for the purpose of constructing railroads through it, but in reality for the trade advantages of that nation, the other nations interested in commerce will demand and enforce whatever remedies may be necessary to protect and advance their interests.

The policy to play off one nation against another, and in that way preserve peace at home, can no longer be successfully played by China. "The old game has played out," for the relations of European nations towards each other, politically and commercially, are not what they formerly were, but China does not appear to have realized the fact and goes on blundering, refusing to learn and still wishing to be let alone. The conservatism which governs the Empire from Peking is without a vitalizing element, and discourages the thought that there may be in China any reserve force sufficient to rescue her from impending disasters. The policy of exclusion, which has been the

policy of China during all the centuries, has ultimately ended in such a condition of stagnation as to paralyze the energy and destroy the confidence of the people, causing the Empire to resemble some splendid vessel, which has become dismantled by the wanton indifference and carelessness of her commanders, until she has become the sport of every wave. What could be more unmanly than for a Prime Minister of China to be engaged in daily conferences on the subject that some nation or nations would save China from Russia? And yet it all has come to that, because China refused to learn a lesson that Japan learned so quickly and which has reversed the positions of those two empires in the world's politics. To-day Japan is confronting Russia in the council room of diplomacy, while China has a back seat and looks on without the confidence to assert her rights, awaiting for something to turn up to give her the opportunity of making some kind of an escape. The Island Empire, which she so long despised, would have saved her from the present threatening surroundings but for the diplomatic blunder committed when China made it convenient for Russia, France and Germany to compel Japan to surrender the Liaotung Peninsula. Since the occupation of that peninsula by Russia no step has been



earnestly and seriously taken to organize China so that she might protect herself against encroachments, but, on the other hand, the aspiration to be in a self-protective state, if it showed itself, has never matured. Such would not have been the case had Japan remained in possession of the peninsula, for a common safety would have dictated a common preparation, and with China thrown open to trade, by virtue of the Shimenoseki treaty, the confidence in a mutual safety would have expanded commerce with all its civilizing agencies. There would have been no spheres of influence, but there would have been a larger area opened to free trade, for Japan, knowing well that the greatness and wealth of a nation depends more for development on peace than on war, would have transplanted and made that idea ruling in China, whose undeveloped resources is the favorite theme of the writers on the Far Eastern Question.

It can be written, without hesitation, that those Chinese who visit Western nations, and learn the causes which have made them strong and enlightened, would not dare, on their return to China, to go to Peking and oppose the dense conservatism which governs to the ruin of their country. In every part of the Empire the voice of reform invites

the immediate presence of the public executioner, and so strong is the sentiment against change among the conservative classes, that even the Emperor was dethroned and imprisoned in his capital because he attempted to break through the customs and principles which had so long enslaved his Empire.

No effort has yet succeeded in impressing upon China, that the first and greatest safeguard of any government is the patriotism and intelligence of the people, and that in monarchical governments, the supreme authority depends for support, and for the prompt execution of its decrees, more upon the military arm than any other division, but in an absolute despotism like China, where the military arm is weak and even held in contempt by the ruling classes, there is no other division on which the supreme authority can rely, and it becomes helpless to repel either external or internal attacks; and, as explained in another chapter, the supreme authority in China relies on different viceroys whose official and personal interests often measure their respect for an imperial edict.

At once absolute and helpless, the Emperor of China consults his provincial officials as no other absolute ruler would, and therefore, without the advantage of any single

guiding mind, the Empire is unhinged and disjointed in its internal structure and practical administration. The elements of national unity and strength which hold other nations together, and preserve the singleness of aim necessary to national progress, have no place in the machinery of the Chinese government, but are actually discarded, and China has governed herself by moving along, wholly aimless in aspiration and hope, except to be let alone.

If there could be placed in control of the civil and military departments of the Chinese Government, men who would prove as capable and loyal as Sir Robert Hart has proved himself to be in the control of the Imperial Maritime Customs of China, the Empire might yet be reformed so as to move on the lines of a new civilization and progress, or that end might be accomplished by China throwing herself open, without favor, to all nations, and with tradal advantages alike to all, abolishing internal hindrances to trade and demanding the right and justice to charge a proper tariff at her ports of entry.

## THE EMPEROR— POWER AND RESTRAINTS.

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The humblest Chinese illustrates, in family life, the central theory of the Government of China. The affection of the father for his children is the measure of the affection of the Emperor for all Chinese.

Invested with absolute authority by the law, and served with absolute obedience by the subject, the same law that makes the Emperor supreme in power places upon him the necessity of using that power with moderation and discretion, and these reciprocal obligations are the pillars which have for so many ages supported the fabric of the Chinese monarchy.

The authority of the Emperor extends to a larger number of people than that of any other earthly ruler, and the area over which it is exercised is commensurate with the vastness of the population.

It is estimated that the eighteen provinces, which constitute China proper, contain a population of 350,000,000, and an area of 1,500,000 square miles, and if the dependencies

of China be included, the population is estimated at 402,680,000, and the area at 4,218,401 square miles.

This area embraces every variety of climate and soil, the former at great extremes at opposite seasons, and the latter fertile and rich in minerals.

From the most southern point to the northern limit of the Empire is about 1,750 miles, and in the South, if the width be measured along the 24th parallel, from the Burmese frontier to Amoy, it is about 1,350 miles. The coast line is 2,500 miles, and if the measurement of the minor indentations and inlets be added there would be a coast line of 5,000 miles, the equivalent of one mile of coast to every 300 square miles of area.

Such is the population and area of the Chinese Empire proper, and all under the authority and possession of one man, for the Emperor is not only supreme in making and executing the laws but he is the owner of the soil.

The ruler who wields so great a scepter is held in submissive awe and veneration by his subjects, his commands carry the authority of oracles, and all that comes from him is regarded as sacred. In his presence the highest nobles speak on bended knees, and on appointed days.

assemble in the courts of the palace to acknowledge his supremacy. The want of respectful adoration and obedience would be a crime on the part of the subject, as a disregard of the interests of the subjects by the Emperor, would be a failure of his high mission.

But simple in theory as the central idea of the government of China appears, the power that puts it in motion, although supreme, has its precautions and restraints which are generally respected.

There are no attributes of sovereignty so absolute as those which give the sovereign power over the life and property of the subject, and there is no sovereign who enjoys these attributes in so complete a sense as the Emperor of China.

The judgments of the tribunals before which offenders against the law are tried are subject to revision by the Emperor, and no offender can be executed until the Emperor approves the sentence of death, but the judgments of the Emperor, whatever they refer to, are not the subjects of revision and are enforced promptly and without being questioned. He having the full power to appoint all officers and to dismiss them at pleasure, the agencies thus employed are not likely to delay in executing the commands of the authority to

which they owe their office and its tenure ; seldom are the commands opposed by even the murmur of disapproval.

Acts on the part of the sovereign which, in some countries, would excite to revolts or overthrow governments, pass in China without disturbance, and if the Emperor is generally equitable in his administration, whatever may be particularly ill is not allowed to raise factions against him. The belief that the general good is being promoted stifles opposition and strengthens the loyalty of the subject.

While exercising the absolute power given by the laws, the Emperor also has the power, although the succession is in the male line, to appoint his successor, and this is another source from which strength is derived by the throne, for there is no compulsion to confine the appointment within the royal family, but the deserving, in whatever walk of life, may be selected.

There are examples where the Emperors have ignored the royal family and the nobility and appointed their successors from those who, though humble in birth and fortune, were eminent for virtue and admirable for understanding ; but the appointment is usually confined to the family of the Emperor, but not so frequently to his children, and still less

frequently to the eldest, for, they say, in excluding their own children they act for the good of their kingdom and the honor and credit of their children, for whom it would be more glorious to live privately than to sit upon a throne exposed to the censure, and oftentimes to the curses, of the people.

"If, they say, a lofty title could create merit in those who had it not before, we should indeed injure our children by excluding them from the crown; but since it serves only to punish and spread their defects more abroad, we think ourselves obliged, by the kindness and tenderness which we bear to them, to keep them from that shame and disgrace to which a crown would necessarily expose them."

And there could be no proof more conclusive of the authority of the Emperor and obedience to it than the absence of confusion and disorder at his death, for notwithstanding the exclusion of those, who by blood of royalty and nobility, had the right to expect promotion, ambition does not show itself and the tranquility of the Empire is not disturbed.

Should the Emperor make known the name of his successor before death, he still has the power to revoke the appointment and make a new one, or renew the first, but



it seems that custom, if not law, require such action to be supported by good reasons, and the consent of the sovereign courts at Peking, and the necessity for observing the requirement is not only not to raise the "people's tongues but their hands against the government."

Another proof of the bond that binds Chinese in loyalty to their Emperor, is not alone what he can do for and with them while living, but the knowledge that even the grave cannot put an end to his power over them, for he can honor or disgrace after death as well as before; he can reward or punish them or their families long after death, and the encouragement to loyalty is enforced upon the head of the family and every member by the fact that the Emperor can, by a single command, disgrace or exterminate the whole family for the act of any one member, or the virtue of any one may be the occasion of honor to all; the safety of the family and respect for the dead are powerful and governing motives of loyalty among a people forming an Empire formed upon the paternal theory.

The Emperor is as absolute in whatever pertains to the external relations of the Empire as he is in the direction of its internal affairs. So long as the honor of the Empire is regarded he can make treaties with

foreign nations on whatever conditions please him, or declare war at his option; but the condition that qualifies the power to make war or peace, only when in accord with the honor of the Empire, is a condition without the means to enforce compliance except through the aid of revolution, and there have been instances of so wanton a disregard for the interest of the people and their honor that they have deposed the Emperor thus wanting in appreciation of the national honor and the loyalty of his subjects.

Although it is a theory of the Government of China that all land within the territorial limits of the Empire is the property of the Emperor, there is not, however, a Chinese who does not enjoy his estate free from molestation and disturbance. The Emperor, it is true, is free to impose what taxes he thinks proper upon his subjects, but this right is rarely exercised, and there are well defined regulations for the imposition and collection of taxes. The consideration manifested for the subject in this regard is shown nearly every year by exempting certain provinces from taxation where there has been suffering through sickness of the inhabitants, or the lands, through unseasonable weather, have not yielded the accustomed returns. It must be written that taxes in

China are imposed with consideration for the tax-payer, and that abuses of the power of taxation by the Central government are exceptions, but the power is often abused by the provincial tax collectors.

As if the Chinese desired to surrender every right that the people of other nations revere and cherish, they have given their Emperor the right to change the figure and character of their letters, to abolish any character already received, or to form any new one. He may likewise change the name of any province or city, or family, and forbid the using of any expressions or manner of speaking; he may forbid the use of some expressions which have been received or bring into use and practice those ways of speaking which have been looked upon as obsolete and uncouth, and this either in common discourse or writing. And so it is that custom which is so unyielding and unalterable an authority, especially over the signification of words, an authority that the scholars of Greece and Rome failed to subdue, and which those of Europe and America have not conquered, is humble in China, and is content to give way when the Emperor commands.

The unlimited power enjoyed by the Emperor has sometimes been the cause of

unfortunate events in the Government, and to prevent these, the laws provide certain means which have generally proven successful restraints. It is not always that power can be neutralized within conservative limits, but the restraints of the Chinese system appeal both to the honor and safety of the Emperor, and place him, when abusing his authority, in the position of being insensible to his own reputation and interest as well as the public good; he alienates the affection of his subjects whenever he ceases to be regardful of their interest and watchful in promoting it.

And it is, therefore, that the paternal theory, which basis the government of China was made a maxim, by the old law givers, which was never to confront the Emperor as a warning that whenever he was deficient in the affection for the people that a father should be proficient in for his children, the people could not be expected to remain dutiful and loyal in their support. This maxim has been the first and controlling of all others, and impresses itself by its antiquity and ages of observance, for there is no higher title of honor or praise bestowed upon the Emperor by teachers and philosophers than to call him the father of the people. However great in war, politics, or learning the Emperor may be, there is no

title that centers around it, with the same intensity, the esteem of the people, as to be commended as their father, and in proportion as he fails as a father to them his reputation in their estimation diminishes.

It is often said and written by Chinese that Western nations have nothing in their histories, either industrial or scientific, or relating to the science of government, which has not been borrowed from China, but it was not expected to find in the history of a government intensely absolute, that the right of petition was a fundamental right guaranteed by custom to the Chinese, and as a means for the redress of grievances and a restraint upon the sovereign. In a government, as absolute in theory as any can be, the right to petition to the Emperor against grievances is as free as in any other government, and the only condition is that the petition be worded in respectful language.

When it appears that the Emperor, in his administration, has departed from the customs and laws, the petitioner, after pledging his loyalty, begs that the Emperor will reflect upon the ancient customs and laws and the examples of his predecessors, and then proceeds to note wherein he apprehends they have been deviated from.

There is an obligation upon the Emperor to read the petition, and if there is no change in the administration, the petitioner, if he has the zeal and courage, may renew the reminder.

There are examples where the persistency of petitioners has so incensed the Emperor that he has ordered them to be killed, and although the order is executed, as are other orders, without being questioned, such conduct on the part of the Emperor so shakes the confidence and respect of his subjects, and honors the character of the petitioner, that the examples are few. The history of China proves that the agency of a petition in redress of grievance and setting forth wrongs is a potent means of recalling Emperors from acts of remissness to a return to duty.

Another restraint against the abuse of the unlimited power of the Emperor, is the manner in which his personal history and the history of his reign is written. It is in this manner: There are a certain number of men, selected for their learning and impartiality, whose duty it is to write down daily, with all possible exactness, both the acts and words of the Emperor and everything that occurs in his administration. These men have no communication with each other with reference to their respective duties, and at the close of the day

each writes on a separate sheet of paper whatever may have come under his observation of the words and acts of the Emperor, and "puts it through a chink into an office set apart for this purpose;" the virtues and faults of the Emperor being recorded with the same liberality. "Such a day, say they, the Emperor's behavior was unreasonable and intemperate, he spoke after a manner which did not become his dignity. The punishment which he inflicted upon a certain officer was rather the effects of his passion than the result of his justice. In such an affair he stopped the sword of justice, and partially abrogated the sentence passed by the magistrate, or else he entered courageously into a war for the defense of his people, and for the maintenance of the honor of his kingdom. At such a time he made an honorable peace. He gave such and such marks of love to his people. Notwithstanding the commendations given him by his flatterers, he was not puffed up but behaved himself modestly, his words were tempered with all the sweetness and humility possible; which made him more loved and admired than ever."

That the partiality of these daily histories shall not be biased by either fear or hope in the account they give, the office into which the sheets of paper are deposited is

never opened during the life of the Emperor or while any of his family sit upon the throne. It is only when the crown goes into another line that these loose sheets of paper are gathered together, compared, and from them is composed the history of the Emperor and his reign; and if he has acted with virtue and wisdom in private and public life, he appears in the history of his Empire as an example for posterity, but if negligent of his own duty and of the good of the people, he is exposed as the object of common censure and odium.

The power of the Emperor to honor or disgrace after death cannot be arbitrarily exercised without exposing himself to the disaffection of his subjects, and the daily record kept of all he does, and which is published, substantially, after his death, is an incentive to lead an upright life, and to administer the affairs of his Empire in the interests of justice, as the surest way to the loyalty of his subjects while living and their veneration after death.

The theories of the government of China are beautiful in their reciprocal obligations, and the division of the Empire, for practical purposes of administration, has the approval of centuries of experience; and the administration is entrusted to an official bureaucracy educated



to apply the maxims of government enunciated before the dawn of the Christian era. But the trouble with China is that the practice is so materially different from the theory, and, although there is an official class educated to apply the maxims of government, such maxims are rarely applied intelligently and honorably.

OTHER METHODS.

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In the treaties of Nertchinsk and Shimenoseki China touched the extremes of success and defeat. The former was the first concluded by China with a Western power, and by it the Eastern expansion of Russia, which had been steadily going on for two hundred years, was suddenly stopped. By the treaty of Shimenoseki, China was made to cede a part of her territory to the demands of Japan, and to otherwise confess the superiority of an empire she had long despised. But fortunately for Russia, Peter the Great assumed the government soon after the signing of the treaty of Nertchinsk, and since, by persistent efforts, Russia has recovered what was lost by that treaty, and in proof of the success of her policy of Eastern expansion, now shows the Russian flag on the shores of the Pacific.

Unfortunately for Japan, and it may be for civilisation in China, a coalition between Russia, France and Germany forced the relinquishment of the cession of the mainland of

Chinese territory, made in the treaty of Shimonoseki, and thereby not only violated international law, by threatening to forcibly intervene between two independent empires, but delayed the reformation of China on the lines of civilisation which Japan had reformed, and which so soon advanced her to the first position among Oriental powers.

There had been a war between Japan and China, in which Japan was the victor, and that part of Chinese territory, known as the Liaotung Peninsula, was legally ceded to Japan by the treaty of Shimonoseki, a cession which Japan had as much right to demand of China, and China as much right to make, as Germany, when victor in the war with France, had to annex Alsace and Lorraine and to hold it as Germany territory.

The coalition between Russia, France and Germany, which had so arbitrarily deprived Japan of one of the legitimate results of her victory, now appears as the first overt act of a policy to despoil China, and possibly to conquer Japan; and if, with the ultimate addition of Great Britain, which was never known to forego the opportunity of acquiring real estate in any part of the world, it will not require a Columbus to discover that the partition of China has commenced.

Before the first war between China and Great Britain, which resulted in the opening of four Chinese ports to foreign trade, Russia held the privileged position in the trade of China, and since the date indicated, that privileged position has passed to Great Britain, and British merchants still enjoy the larger share in tonnage and value of the China trade.

But with the close of the nineteenth century, there is evidence of a more equal distribution of the trade of China between the European powers named, and also proof that Chinese territory will be divided among those powers before the end of the first quarter of the twentieth century.

As a consequence of the war between China and Japan, and the intervention of the principal powers of Europe, the Eastern question presented many new and important aspects; but the course of events did not appear to have been fully comprehended by the nations having the greatest commercial interest in China. The energy, daring and comprehensive grasp of Russian diplomacy soon succeeded in securing for Russia her old time position, and, in a measure, reversing that of Great Britain's, for although Great Britain still enjoys trade ascendancy, the influence of Russian diplomacy is undoubtedly supreme.

And it is somewhat astonishing that Great Britain should have so easily glided into an agreement, or tacitly assented, by which Russia has so completely outdistanced all competitors and is unrivalled in influence in China to-day. It is admitted that Great Britain may not have been able to have altered the course of events without forming alliances or engaging in war with the powers forming the coalition; and it is further acknowledged that the latter of these steps should not have been taken unless threatened with a more imminent danger, but it is believed that had Great Britain and the United States seriously opposed interference with Japan, or the appropriation of Chinese territory, except in accordance with the law of nations, the unseemly scramble now going on for the division of China could have been averted.

Before the war with China, Japan had proved herself worthy of the friendly consideration and respect of Western nations. The Emperor had surrounded his throne with the recognized talent of his Empire, and had remodeled the government of Japan on civilized lines, and in proof of the merit of the new system, and the substantial character of the change, there were the well ordered affairs at home and the strength and discipline shown in the war

with China. There was proof, too, that Japan was loyal to the new principles incorporated into her system of government, and knew their quickening and elevating power, for in the treaty of Shimonoseki is a provision that China should no longer prevent the importation of machinery, but, on the contrary it should be imported and received at Chinese treaty ports as other merchandise was received. The most skilful diplomacy of the West had failed to win such a victory in favor of the freedom of commerce, and the manufacturing and other industrial activities at the treaty ports of China received their greatest momentum from this provision of the treaty. If the two Anglo-Saxon nations could not associate in an alliance with Japan they might have tried a joint protest to the aggressive aims of the coalition in behalf of fair play.

But that lost opportunity to demand just treatment for a nation which had opened, wider than ever before, the door of China to equal mercantile competition, changed again the aspects of the Eastern question, and that it was an opportunity lost is now admitted. It has been pointed out that there was a time when, had the two Anglo-Saxon nations counselled in earnest, there would very probably have been the greatest respect shown, but it

would seem too late to counsel, after the three great continental powers of Europe have entrenched themselves on the soil of China, and Great Britain herself, as reported, has mapped out the geographical limits of that soil which she will claim as her share on the day of the actual partition.

In this real estate business the United States have not appeared either as a petitioner or claimant; they have looked on with the silence of dignity or contempt. Their relations with both China and Japan have been and are now most friendly. China especially entertaining a kindly feeling, founded on the belief that she saw a similarity in their respective policies, the desire of the United States to be let alone being evidenced by a high prohibitive tariff, while that of China was evidenced by the building of a high wall along her frontier. The trade between the two nations was modestly valuable, and the nations of Europe, when shaping their policies with reference to China, and debating the questions which reach far into the future, did not take into account the opinion of the United States. It was often wondered why this great power remained so negative while possessing unmatched resources and enjoying the highest state of civilization. Why the United States stood waiting for some

other nation to open the diplomatic door and then walk in last? This aspect of the Eastern question, with special reference to the influence of the United States, is not overdrawn, and the past sleepy attitude assigned is warranted.

But all changed when the effective valor of the American soldier was so signally and successfully displayed in the war with Spain. The destruction of the Spanish fleet in the harbor of Manila revolutionized public sentiment in Asia, and it was at once recognized that the United States were indeed a great power. Statistics showing the area, resources, wealth and population of the United States frequently appeared in Asiatic publications, and what Americans felt and knew before of the matchless strength and prowess of their country became to be more distinctly admitted by the foreign and native population of Asia; and it was expected that the United States would lead where they had so long followed. It was a reasonable expectation, based upon both mental and physical ability, and because of the known American sense of justice it was wished for by the people of Asia.

But the success at Manila was neutralized by the long delay to grasp and utilize results, and American prestige has consequently suffered.



in proportion. The valor of the American soldier had done all that loyalty and heroism could do, but the failure of those whose duty it was to properly utilize results, partly removed the impression, made by the summary and brilliant victory over Spain, for the other impression, that while American valor may be all that could be desired, American statesmanship is slow to comprehend opportunities. And it is American statesmanship which must solve the problems of peace and deal with the questions of commercial ascendancy, for into such a council chamber the soldier does not enter. The soldier carried the flag to success in battle, and the statesman must now show equal competency in his department; the sword must not surpass the pen in bearing fame away. The decided triumph of American arms is still fresh in memory, but the greater questions of peace are crowding upon American statesmanship, and the answer given will strengthen or weaken the influence of the United States in the international parliament. And this is one aspect of the Eastern question which should earnestly commend itself to the business men of the United States. The long delay in adjusting the Philippine question has not advanced American influence in Asia; and it has engaged the attention of the government

on that question, to the exclusion of the equally if not more important subject of promoting American commercial interest in China.

If another aspect of the Eastern question be considered, as it bears upon international law, there are a class of orators and writers who might reflect, when so persuasive in argument for the intact preservation of Chinese territory, whether any other nation would have the right to object to the leasing or even ceding of her territory by China as she wished. The consensus of opinion is that Great Britain and the United States could have effectively advised against the so-called leases made by China to Russia and Germany, but international law would not have justified the two Anglo-Saxon nations in going to war to prevent China from effectuating her agreement with another sovereign power; and while it is believed that China was acting under duress when she leased Port Arthur to Russia, and Kiaochau to Germany, the fact could not be assumed, and Great Britain overtly maintains to the contrary, since she has become one of the lessees of China, acquiring Wei-hai-wei in proof of the legality of the transactions.

There is some difficulty in understanding how the Anglo-Saxon nations would prevent the break-up of China, or keep the doors of

commerce open, when one of them has entered into this leasing business, and is becoming somewhat more restless in interest in the prospective delimitation of spheres of influence.

Of the great powers of the world, the United States have held aloof and refused participation in the new way of despoiling and breaking up an old empire, although there is such seeming modesty in preferring the demands, for the principle is the same which effaced Poland, extinguished Hungarian freedom, and is attempting to blot out the existence of Manchuria. It is thought, and is still believed, that if Great Britain and the United States had entered a firm protest against interference by the three powers of Continental Europe, in matters growing out of the China-Japan war, the centers of Asiatic trade would be free from apprehensions of impending conflicts, and whatever shadows coming events may cast before, the future would appear to hold too much prosperity for the United States to depart from their traditional policy, except in so far as the movements of the forces of civilization make clearly intelligent and fully justify. Unexpected wars and unlooked for results would doubtless render a too close adherence to any cast iron policy seriously hurtful, but the extreme expansionists are as dangerous to the safety of

American institutions, as an adherence that will not admit of any flexibility is to the expansion of American business.

The declared purpose of the United States to educate the Filipinos to the standard of self-government is a declaration that should not have been published to the world, because all history teaches that the test now being made by the races, which have attained the highest distinction in the art of self-government, have not escaped civil wars nor been free from other disorganizing agencies which have threatened society. It was just to destroy Spanish oppression, though it was not statesmanship to hold out promises which may never be fulfilled, but it was statesmanlike to fortify American commerce in the Pacific Ocean and in Asiatic lands, and which it was supposed the acquisition of the islands was intended to accomplish. But if orderly government throughout the islands has not been established under the able and conservative administration of Governor Taft, the prospect has almost ceased to be encouraging. The commercial position of American merchants in the Philippine Islands should be so influential and valuable as to bridge the intervening waters to the mainland of China, otherwise their position will not prove essentially

promotive of their trade in that Empire. The Continental nations and Great Britain have advantageous positions on the mainland of China for promoting the tradal interests of their merchants, and such positions are being industriously used for that purpose. True that the racial characteristics of the natives of the islands, together with centuries of oppression, greatly militates against and delays the efficient working of the machinery of the civil government there, but commerce moves with the agencies best prepared to find new markets and give remunerative returns; it does not wait, but moves on with the nations which are ready and prepared.

And the Eastern question is becoming more complicated as it relates to China. Not only did Russian diplomacy avail itself of every opportunity resulting from the China-Japan war to advance Russia's policy, but the Boxer movement appeared to place China under new and friendly obligations, and as a consequence very material and additional privileges were accorded Russia for building railroads in Manchuria. At this time Russia is interlacing the Manchurian division of China with railroads, which are either completed or in contemplation of completion, and no open door in that division need be expected without the

consent of Russia, and when it serves her interest to give her consent.

After China had disgraced herself by the attempt to kill all the diplomatic representatives of the foreign powers who, by the most sacred obligations known to international law, she should have protected, these same foreign powers, after the escape of their Ministers, recognized China as a sovereign nation capable of entering into treaties and alliances and doing other acts of a sovereign power.

And one of the other acts has been to practically cede Manchuria to Russia, for, after completing her railroad system in Manchuria, it would not be logical to demand that Russia abandon Manchuria and allow her costly improvements to remain in the uncertain care of China. Besides, the railroads will develop Manchuria and open up new markets, and Russia cannot reasonably be expected to yield to other nations an equal share of the commercial and political advantages that her energetic efforts and foresight have brought about. It would seem that Russian policy has been clearly stated in the *Novoe Vremya* as follows:—"After we have constructed the Chinese Eastern Railway we cannot play the part of an unconcerned spectator towards the future fate of this

railway. "It has cost us many millions. If the Manchurian Railway is to serve the development of Russian trade we must restrict the commercial freedom of other nations. The same applies to the question of mining rights. The necessity of safeguarding the interest of the Manchurian Railway compels us to keep a watchful eye on the Shanhai-kwan and Newchwang line. If this line were to be carried across the Liao River and connected with the South Manchurian line, traffic would be deflected from the province of Pechili to Shanhai-kwan, and the southern part of our railway, together with Port Arthur and Dalny, would lose in importance. This is the reason why we cannot allow the Manchurian Railway to cross the Liao. Moreover, this railway runs to the North of the Great Wall; that is to say, through our exclusive sphere of interest. If we neglect to see that the railway remains absolutely Chinese, the danger arises that British and Japanese influence may be established in Southern Manchuria—in territory exploited by our railway."

In *Greater Russia*, Gerrare thinks that the alliance between Great Britain and Japan means the protection of the former's trading interest in the Yangtze Valley, while the latter safeguards Korea, but so far as relates

to Russia's operations in the North, Great Britain has somewhat neutralized her right to interfere by the agreement with Russia in 1899, by which (Art. 1) "Great Britain engages not to seek for her own account, or on behalf of British subjects or of others, any railway concession to the North of the Great Wall of China, and not to obstruct, directly or indirectly, applications for railway concessions in that district supported by the Russian government." And "Russia (Art. 2), on her part, engages not to seek for her own account, or on behalf of Russian subjects or others, any railway concession in the basin of the Yangtze, and not to obstruct, directly or indirectly, applications for railway concessions in that region supported by the British Government."

The first and second articles of the agreement indicated were entered into by Great Britain and Russia "by a sincere desire to avoid in China all conflict or question where their interests meet." There is also in the agreement the expression of a like desire not to "infringe in any way the sovereign rights of China," and to "serve the primordial interest of China."

To the common understanding, the two articles quoted will read very much like that



Great Britain and Russia have agreed as to each other's sphere of influence, and, though expressed for business purposes only, it follows that if Great Britain undertakes to act in the Yangtze Valley as Russia is acting in North China, these business spheres of influence will soon merge into spheres of territorial ownership.

If there be a key-move in the political game now being played by Western nations for advantages in China, it is Port Arthur, and Port Arthur is in the possession of Russia and will not be relinquished as it was when in the possession of Great Britain; and it will be noticed that the railroads Russia is building in China generally point towards Peking.

Gerrare well says that "nowadays an Empire is neither won nor held by signing papers, and making treaties is only the way in which nations mark time. . . . The Russians give European statesmen treaties to play with, as they would give glass beads to savages who want them. Which does the world count of greater value, a paper signed with honor in Berlin nor a railroad built by labor from the sea to Uganda? What is the treaty of Berlin? What is the Bulwer-Clayton Agreement, and the Chinese railway

concessions? So much waste paper. Batum is not a free port; Great Britain has no fortress in Nicaragua; nor is the first sod turned in the railways in the Yangtze Valley. Statesmanship which results in such a harvest is 'unfitted for the century, so the Anglo-Japanese alliance must be appraised simply by what it is the means of actually and materially accomplishing."

Acting in accordance with the above ideas, in their application to China, Russia has recognized that the "wars of the future will be for markets, and that a short railway may be worth more than a fleet of battleships."

Certainly, thus far, the occupation of Manchuria by Russia has not been injurious to the development of trade in the three provinces, and the railroads Russia is building facilitate the transportation of a steadily growing commerce. Before the building of the railroads the native routes could not have been, according to Hosie, in a worse condition, and such routes as are still under Chinese supervision do not improve, the idea being that as a route becomes more uneven the framework of the Chinese cart should be made stronger. When the Japanese occupied Southern Manchuria, as a result of their war with China, it was predicted that its commercial future would be destroyed, but on the contrary

Japan has become a principal market for Manchurian products.

It is difficult to believe that any change in the business and political condition of China, especially the political, could be worse than it now is, for unless there is a radical change in the political aspect another lease of life will be given to that conservatism which has made China a diplomatic football and which will set back the civilizing influences now at work among one-fourth of the population of the world. And as it is true that an opportunity was lost at the close of the China-Japan war, so is it equally true that another was thrown away at the end of the Boxer movement. Whether that movement had an official origin or not, the Government of China either could not or would not interfere to oppose it, and in either event Western powers would have been fully justified in so improving the administration of China as to render impossible thereafter a repetition of the barbarism and intended brutality. Then was the time to have said to China:—You must have a government that can prevent such a crime against all humanity, and, if the present government is unable, we will reform it, and, if unwilling, we will efface it. The benevolent policy which was adopted is dangerous, and the nations which advocated

it may have cause to regret it. No one should want to be cruel and exacting, but to deal safely with China the policy should be sternly just and preventive, and that is the policy which will be longest remembered and respected by China.

SHANGHAI.  

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After writing the preceding pages it occurred to me that an account of the rise and progress of China's chief commercial city would make an appropriate chapter, and under the guidance of an old resident the attempt is here made to write it. The idea was pleasant, because during the several years lived at Shanghai I have felt a pride in the growth of the city and the industry which has given it such a commanding position in the business world.

For such present knowledge of the port of Shanghai as is common property, recourse must be had to the records which have appeared at uncertain times in the various local newspapers, to sundry missionary and consular reports, to a few books which treat of China as a whole, and make but small pretence of any consideration of what is generally known as the "Modern Settlement;" but more particularly to a pamphlet on the earlier fortunes of the port, by Mr. W. J. Maclellan,

in 1889, at that time editor of the *North-China Daily News*. Still, from such sources, and from the lips of those fast disappearing few, whose memories can with any certitude go back a jubilee of years, enough can be gleaned, to form the basis of a fairly consecutive and dependable story.

Short as has been the life of Shanghai, its sixtieth cycle, coming to its close this very year, that period has not been wholly without its stirring incidents. Twice has Shanghai been under military occupation, twice has it undergone those vicissitudes apparently inseparable from the acquisition of landed property by the few as against the many; while time and again has the severity of its trade fluctuations taxed the resources as well as the recuperative powers of the "Republic," yet, in spite of much recurrent adversity, Shanghai has ever risen superior to the occasion, and finds herself more than able to occupy and satisfy all the conditions of the high position in which she stands to-day.

For convenience the story of Shanghai may be treated of under two periods: that quarter of a century which commenced with the opening of the port in 1843 and closed with the most disastrous year of 1866, and the thirty-five years which have witnessed the

transformations in the place that are at once the pride and the delight of those whose privilege it is to be citizens of this unique Commonwealth.

Rapid as has been the rise and progress of this treaty port, its development naturally pales before the growth of the newer cities of the American Republic, whose very name is legion; yet, considering the unaccountable disadvantages under which it has had to labor, pre-eminently the fateful, impregnable conservatism of official China, the position of Shanghai to-day can be held to be but little less than phenomenal, and fully justifies the optimistic expressions which are heard on every hand. It is not as if Shanghai's position had been secured by fortuitous circumstances. It has been attained by reason of much "hard work," and it would seem to be assured. Fortunately sound business sense directed its early history and still governs, and I hope will ever safeguard its future.

Not without its meed of interest would be some short topographical survey of the surroundings of the "Commercial Metropolis of China." Shanghai is a walled city on the left bank of the Whangpoo River, some twelve miles from the estuary of the Yangtze. The name itself implies the fact that it was a

place originally on the "Upper Sea," or near the sea, or in communication with it; and the fact that the enormous alluvial plain, now fertile beyond description, in which the city is situated, was once under brackish waters which reached Tsingpoo, thirty miles to the south-west of Soochow, and washed around Quinsan as far as the uplands of Chinkiang, goes somewhat to confirm Shanghai's earlier association with the sea.

Though known as a trading place so long ago as B.C. 249, Shanghai came by its name years before when it was a mere hamlet occupied by fishermen. At that period, in fact, there were two hamlets or fishing villages. The one was called "Zong-he," upper sea; the other "Au-he-pu," or village of the lower sea. In the latter instance, the word "pu," shop, would be appended when shops began to be opened there; the original antithesis would only be "Au-he" and "Zong-he," lower sea and upper sea, and the original names are still discernable in their latter day garb of "Yangtsze-pu" and "Shanghai."

Five hundred years later the Soochow Creek, at that time known as the Woosung River, was of an average width of five miles between this and Soochow. How different from the contracted, shallow stream of to-day!



Still, in its day, it must have contributed not a little to the importance of Shanghai as a port. During the two centuries, 1360 to 1560, Shanghai was continually subject to raids by Japanese pirates, whose incursions were even extended to Chapoo, Ningpo and Hangchow, and it was only towards the close of the sixteenth century that the present walls of Shanghai City were reared as a protection against the enterprise of the Chrysanthemum Kingdom.

Further acquaintance with earlier Shanghai has but little interest until such time as it became better known to the outside world. For actual foreign trading purposes Shanghai was practically unknown until the visit, in 1832, of Mr. H. H. Lindsay, a supercargo in the old East India Company's service, and subsequently founder of the great house which for years bore his name. So impressed was this pioneer with the daily passage past Woosung of 400 merchandize-laden junks, that he reported the circumstance and the great tradal possibilities to the British Government. Ten years later, in 1842, a British fleet under Admiral Sir Wm. Parker, and a military force of 4,000 men, under Sir Hugh Gough, captured the Woosung Forts with 175 guns, and Shanghai with its ordinance of 407 pieces of cannon.

A reconnaissance in force up the Yangtze resulted in the Treaty of Nanking, by which the ports of Shanghai, Ningpo, Foochow, Amoy and Swatow were opened to foreign trade. On the 17th November 1843, Shanghai, was formally declared open to foreign trade by H.B.M's Consul, Captain Balfour, whose name still lives in the street nomenclature of the Settlement. He selected as most suitable for the uses of his nationals that large area so familiar even to the most recent resident, bounded on the south-west and north sides by the Yang-king-pang, Defence and Soochow Creeks, and limited on the East by the Whangpoo River. At that time this tract was little less than a morass, with numerous ponds and creeks, and the safe haven of countless pheasants. Without loss of time residential business houses or hongs began to be erected on the land which the British Government proposed originally to acquire, but which afterwards it was resolved to allow British subjects to purchase as they required from the Chinese owners at the modest prices then current, which ranged, according to Dr. Medhurst, from fifteen to thirty dollars per *mow*. The lands thus purchased are the finest sites in Shanghai, and some of them have but recently changed hands at over two thousand

times their then value. For two and a quarter *mow* with house on the Bund as much as Mex. \$250,000 was given within the past year.

When the first streets were contemplated there was much haggling as to the width suggested by H.B.M. Consul, *viz.*, twenty-five feet. The general contention was that half that width was sufficient for the carriage of tea and silk. Happily wiser counsels prevailed, and a compromise was ultimately agreed upon of twenty-two feet. The first four roads projected were those running East and West, the Canton Road, replacing an old native ropewalk; the Foochow Road; the Nanking Road, which still shows the sinuosities of the creek which it supplanted; and the Peking Road, which practically was the margin of the Soochow Creek at that time.

Trade gradually increased, though transactions in those early years were almost entirely barter operations, and the influx of foreigners became annually more marked. But it was not until 1861 that the foreign trade received its great impetus by the Treaty of Tientsin, and a further increase by the throwing open of Japan.

The first friction with the natives occurred in 1848. In the March of that year, three missionary gentlemen, Dr. Medhurst, Dr. Lockhart and Mr. Muirhead, were ill-treated

by a mob of grain junkmen at 'Tsingpoo. Failing satisfaction, Mr. Consul Alcock blockaded Shanghai, and stopped the departure for the North of 1,100 grain laden junks. This reprisal had the immediate effect of bringing the local authorities to their senses. Compensation was paid to the missionaries, and a smoother time assured for the trader.

In 1848 the French Consul, M. de Montigny, opened the French Consulate, and quickly obtained as a concession the district lying between the Native City and the Yang-king-pang Creek. Immediately on this concession becoming known, Mr. Griswold, the United States Vice-Consul, who had offended the British Consul and the Taotai by hoisting his national flag within the British Settlement, protested against the French getting separate ground for a concession, on the principle that the grant of exclusive rights and privileges was one of the very worst features of Chinese policy. But nothing came of this protest, though the grant of exclusive privileges is now proving very dangerous to China, and Mr. Griswold was not so far wrong in his advice.

Naturally enough, as roads began to be built and houses to appear, the thoughts of the early settlers were soon concentrated upon

some form of municipal management. Trade, too, at that time was so rapidly increasing that a meeting of merchants was called to devise means to place a tug steamer on the river, while their anxiety to keep abreast of the affairs of the day brought into existence Shanghai's first newspaper. This was the *North-China Herald*, whose first number was issued on the 3rd August of 1850, under the editorship of Mr. Henry Shearman. That paper, under its changed name of *North-China Daily News*, with Mr. R. W. Little as its present editor, still occupies its influential place among journals published at Shanghai. There were few banking facilities until the once celebrated Oriental Banking Corporation entered the field, which, without any wholesome competition, exercised a volition in its exchange methods which rapidly brought great wealth to the institution. Curious reading would some such advertisements as the following appear to us of later times:—"The O. B. C. will draw six months' sight bills on London for the next mail at 6s. 8d. per tael, and will buy merchants' credits of the same usance at 6s. 10d. per tael," or "Mr. Smith will sell drafts on Messrs. Baring Brothers & Co., London, at six months' sight at 6s. 9d. per tael." Yet these were amongst the modes of finance in those

days. But the great trading medium after all was the compradore, a man usually of wealth and good standing, who filled every part in the economy of business. His it was not only to bring buyer and seller together, to settle all disputes, to find necessary funds, to secure his employer against loss, and to work for his advantage in every possible manner, but to supply and be responsible for the whole of the business and domestic menage, deputies, shroffs and coolies, butlers and boys down to the meanest servants. The system worked admirably in the "hong" days, when clean, respectable, quietly clad servants lived in and were never absent from the premises, and when compradores were men worthy of the name, and absolutely different from the generally hungry "counterfeit presentment" that now reigns in their stead.

Very early in the existence of the settlement it became necessary to put "public affairs" under municipal guidance, and in 1843 a Committee of Roads and Jetties was formed, and a tax levied on imports and exports to pay the inevitable public expenses of road and jetty making and draining.

It appears that in 1852, which was a year of great prosperity when, according to the *North-China Herald*, new buildings of a private

or commercial character were springing up on every side, that the revenue of the Committee of Roads and Jetties was taken at \$5,000, and the expenditure at \$8,000. These municipal operations were undertaken at the end of nine years' trading here, when the commerce of the port had reached \$4,299,192 in imports and \$10,402,750 in exports. But to the imports the value of the opium and treasure has to be added. There are no means of ascertaining the value of the various articles, but exchange ruled irregularly high, and the old Carolus or pillar dollar, the money medium, was reckoned at a value ranging from 4s. 9d. to 5s. 1½d.

On the authority of Mr. Maclellan, every inch a sport, as evidence of the healthy and active state of business, it was necessary to postpone the autumn races; people were too busy, and would not enter ponies; a condition of affairs which has not occurred again in Shanghai, nor one likely to recur.

In 1852 the Government of China was in sore straits, and greatly perturbed by the threatened rising of one of those multitudinous secret societies which unfortunately still honeycomb the Yangtze Valley. Early the next year Hangchow was reported captured by the T'aipings, and on the 7th September, Shanghai

was quietly taken possession of by the Triad Society. The efforts of the Triads to join forces with the victorious T'aipings who had now taken Nanking, were repudiated by the latter, and, curiously enough, on theological grounds and because of the use of opium. Their one and only common bond of union was their mutual hatred of the Manchu dynasty. However the Triads were strong enough and numerous enough to create disorders both frequent and grave, and their culminating work of destruction was the wrecking and pillage of the Custom House. For seventeen months was the native city of Shanghai in the hands of the Triads, though they must have been in sad lack of leaders when their two most dependable commanders were emaciated opium smokers, though reported to be men of capacity and resolution: one a sort of military officer, and a certain Chin A-Lin, a mafoo in the employ of Messrs. Gibb, Livingston & Co.

Naturally there were not wanting those who took advantage of the absence of a Custom House. The British Consul, Mr. Rutherford Alcock, and also the U.S. Vice-Consul, Mr. Edward Cunningham, a partner in the house of Russell & Co., notified that merchants must pay their duties to them, or that promissory notes or sufficient securities be given, otherwise



that they would not clear either British or American ships. But the majority of merchants expressed the view that, as the Chinese Government could not fulfil its part of the treaty obligations, and could afford no protection whatever, either to property or persons in Shanghai, they were not bound to pay duties to it. But the two consuls remained firm, the British representative contending that a mere insurrection was powerless to abrogate a solemn treaty made between the Sovereign of Great Britain and China, while the American Consul took his stand upon Article 2 of the Treaty with the United States, "that citizens must pay duties according to tariff." In these declarations they received the strenuous support of Sir George Bonham and Colonel Marshall, the respective plenipotentiaries. The remaining consuls, however, were of another way of thinking. The French Consul said that he would clear the ships of his nationality without calling for payment of duties to foreign officials, and the consuls of other nations, who were all merchants, followed suit. Strange to say their untoward action ultimately led to the recantation of the American Consul who, in 1854, notified that as long as other ships cleared from the port without paying duties American bottoms

should be placed on the same footing, and two American vessels carried away full cargoes of tea on which no duties had been paid. [*Vide* G. C. Schwabe & Co.'s circular, 13th March 1854.]

This anarchious state of things soon wrought its own cure, for its continuance was an impossibility, and on the initiative of the British, French and American Consuls the Custom House was placed under foreign organization, an inspector being chosen by each of the treaty powers. This arrangement lasted for a time when Mr. Horatio Nelson Lay, of the British Consular Service, took up the reins of management, and laid the foundation, in 1861, of that great institution now known as the Inspectorate-General of Foreign Customs.

The depredations of the insurgents drove nearly all the inhabitants from the city, who flocked in company with refugees from the surrounding country into the hinterland of the Settlement. Foreigners ran up the flimsiest shanties for their accommodation, and to this encouragement of the influx of natives may be clearly traced a prime cause of those disasters which, in the near future, brought so much woe upon Shanghai. But not content with raids upon Chinese property and persons, the insurgents were emboldened to attacks upon

the settlement, and in many an emeute had proved themselves superior fighting men to the Imperialists, though many of their encounters were but too palpably prearranged affairs. Foreigners were subjected to annoyance alike from insurgent and imperialist, until at last, on the 4th April 1854, the Volunteers, under the command of Mr. Thomas Francis Wade, years subsequently H.B.M.'s Minister at Peking, and accompanied by some men from H.B.M.'s ships "Encounter" and "Grecian," and the U.S. warsloop "Plymouth," marched out to the old racecourse where they attacked the Imperialists and dispersed them with much slaughter. The foreign forces amounted to 300 men all told, who put to complete rout over 10,000 Imperialist Braves. This encounter will live in Shanghai's story as the "Battle of Muddy Flat." By the end of the autumn the outlook in the city was gloomy enough. Nine-tenths of the inhabitants had fled, and the policy was discussed of handing it over to the Imperialists, and transporting the insurgents to Formosa. But the French now found cause for interference. Between a wall that had been built by the Imperialists to separate the insurgents in the city from the French in their Concession, it was discovered that the insurgents had erected a small mudfort. This

gave the French an opportunity they had long sought, and on the 9th December fire was opened upon the City by the French man-of-war "Colbert." The next step taken was the despatch of a letter from the French to the British Consul complaining that the insurgents went to and from the British Settlement and the Native City. Mr. Alcock at once impressed the necessity of neutrality upon his nationals, and it would seem that the efforts of the British and American Consuls restrained the French Admiral from further operations against the insurgents until the 6th January (1855), when a breach was made in the City walls, out of which the insurgents emerged and drove off the Imperialists. In the darkness of the 18th February the insurgents stole away, and on the same day the City was reoccupied by the Imperialists. The story of the Triad movement has dragged itself to disproportionate length, but the effort has been made to show, that in a greater degree than is ordinarily attributed to them, did the American citizens of the time bear their share of the troubles and anxieties of the early days of Shanghai.

The comparative quietness of the next five years did much to foster trade and improve the status and general conditions of the settlements, when China was rudely shocked

by another rebellion which laid waste her fair provinces of Chekiang, Anwei, Kiangsi and Kiangsu, and cost the lives, according to Sir Robert Hart, of more than a million human beings. The graphic story of the Rise and Overthrow of the T'aiping Rebellion will be found in the pages of *The Ever Victorious Army*, the *Life of Chinese Gordon*, and many pamphlets born of the time. A few of the more salient features of the great endeavor to overthrow the Manchu dynasty will suffice for present purposes.

The capture of Soochow by the T'aipings in 1860 had driven thousands of terrified Chinese from thence and from contiguous cities to take refuge in Shanghai, where the ever alert foreigner quickly ran up countless six-storeyed buildings for lease at crushing rates, repeating in a markedly accentuated degree the "building policy" of half a dozen years before. In 1861 the T'aipings approached Shanghai, and encamped in force at the well-known hamlet of Sic-A-Wei, four miles south-west of the City. The influx of refugees was variously estimated as from 500,000 to 1,000,000 souls; but anyhow they arrived in such numbers as to drive up the price of provisions fourfold, land and rents an hundredfold. In August of that year the City was attacked, and the suburbs.

consequently laid in ruins by the French. In December the rebels to the number of 100,000 threatened the Settlement. "At the time the local native authorities were severely pressed they availed of the services of an American named Ward who raised a company from a band of deserters from foreign ships and rowdies of all nations whom the prospect of spoil had collected on these shores. They did good service until Ward was killed when the command fell upon another American of the name of Burgevine, who subsequently transferred his services to the rebels, and ultimately was shot." The Imperial authorities found it impossible to restrain these raw and undisciplined levies, and applied to the British Admiral, Sir James Hope, for a commander. That officer was found in Colonel Gordon who, after a rapid series of victories, restored a quiet China to the rightful authorities before the commencement of 1864. So much then for the two military occupations of Shanghai; for the peaceful and orderly garrisoning of the place in 1890, during the Boxer movement in the North, can scarcely come under any such heading.

Long before 1864 the Committee of Roads and Jetties had assumed the title of the Municipal Council, and in that year passed

what was considered an unusually extravagant budget. The landrenters sanctioned an expenditure of Tls. 457,000, or nearly double that of the previous year. "The Council and the community believed that the exceptional prosperity of the place would not only continue but increase. Recklessness had now culminated in Shanghai. The General Hospital and the Shanghai Club were opened in this year. But a sad day was now attendant upon Shanghai. Money had come in "airily, fairily," but not to remain. There was a wildness about business which resulted in unheard of prices for produce. Extravagant to madness were the cost and style of living. The effect of the speculative trading of the previous two or three years was evidenced by the almost unbroken sequence of failures amongst the oldest and reputedly the wealthiest business houses in the place, who brought down bank after bank in their train; and in this connection it may be of interest to note that there were exactly the same number of banks at this time, as there are to-day, *viz.*, twelve, but only four found themselves able to pull through the crisis.

It was the year when the great house of Dent & Co., the real rival of the "princely" house of Jardine, Matheson & Co., whose

partners had been identified with all the stirring events in Canton, before the War of 1841, was compelled to succumb. And the trouble was not confined to commerce alone, for innumerable tenantless houses, run up on land purchased at inordinate prices, brought their retribution upon the head of the heedless land buyer.

The commencement of the year 1866 saw Shanghai in the "Slough of Despond." Chastened and sobered by the results of reckless trading, wild land speculations and too costly living, Shanghai in 1867 turned her thoughts seriously to the redemption of her errors. It was evident to all that the old order would have to change, giving place to new. One of the first departures was the breaking up of the old hong messes, and a consequent much quieter mode of living. People began to build houses on the cheap land which bordered the Bubbling Well Road, and to live out of the Settlement. Merchants began to look at the other end of a business transaction before entering upon it, and though the next few years saw the gradual disappearance of all the old established American firms, Wetmore, Cryder & Co., Augustine Heard & Co., Olyphant & Co., Bull, Purdon & Co., and subsequently Russell & Co., who were thought



to have weathered the storm, still the tendency ever was to the elimination of the speculative element in trade by more frequent recourse to the telegraph for information and for orders. The old-fashioned compradore "went by the board," and with him that control over servants and native employees whose loss is so much regretted and felt to-day. Then gradually expanded the sound idea, that safety and success were to be found in the frequent turn over of capital rather than in great operations. Until 1866 no house of respectable standing ever sold other than its own clean paper against its export transactions. Since that time documentary bills for both imports and exports have speedily become the universal custom. The day of the real merchant had departed, never to return, a fact emphasized by one of the leading merchants of the day: "The old English merchant has ceased to exist. Our firm has lasted for two hundred years. The very best period it had was the ten years preceding 1874; the ten years from 1874 saw its collapse. It still does business, but of a different kind; the merchant has disappeared because he is no longer wanted." These were the words of Mr. Wm. Rathbone whose representative in North China, Birley Worthington & Co., were so prominently and

honorably associated for long years in the trade of this port. [Vide *Notes from a Diary* Grant Duff, Vol. 1, p. 150.]

Any full description of Shanghai, of its palatial banking and mercantile buildings, its rural residences, now only too frequently inhabited by wealthy Chinese, its shipbuilding yards, its line of docks extending on both sides of the river for more or less the whole length of the harbor limits, its cotton mills, silk filatures, its numberless factories and industries, its great steamship lines ever busy in the internal coast and foreign traffic, its pioneer railway, its waterworks, its arsenal, its volunteer force, hospitals and nursing home, its many sporting institutions, its climate, its government, would be beyond the scope of this short story; but attention may be directed to one or two points of pre-eminent interest. And naturally enough the Municipal Government of the Model Settlement is one of commanding importance, while the following comparison of the first and of the last Councils reads more like a fairy tale than anything else.

The first Municipal Council was elected in 1854, and consisted of seven members. On the 5th October the senior member was requested to call a meeting to obtain the consent of the community to raise a loan for building a

police barrack. The Superintendent of Police was the highest paid Municipal servant with a salary of \$150 a month, and a daily allowance of \$1 for lodging. On the 26th March 1855, under the presidency of Mr. Wetmore, a most popular and prominent American merchant and estimable gentleman, the Council cut down the said Police Superintendent's salary to \$100 a month, but, at the same time, made an allowance of \$25 in consideration of that official taking care of the roads and acting as clerk of the Council.

In 1856 the estimated income of the Council was \$18,275, made up of taxes from foreigners \$3,500, taxes from Chinese \$5,400, wharfage dues \$3,000, and rent from Library and Billiard Club \$375.

In 1863, the proposal was made, and overwhelmingly carried, that the American Settlement of Hongkew should be turned over to the Municipality. It was contended that a very important principle was involved. Two Settlements had grown up side by side. One had gone to work energetically and paid for its own police, drainage and public works. Its neighbor had borne no share of the cost of these advantages, but nevertheless expected that the landrenters would continue to pay for its improvements.

Compare the Municipal Budget for the present year 1903 with its modest prototype of 1856.

*Ordinary Income.*

	Tls.
Land tax $\frac{1}{2}$ per cent. on total assessed value of property	266,000
General Municipal Rate—Foreign ...	Tls. 186,000
Do. Native ...	321,000
	<hr/> 507,000
Wharfage dues ...	160,000
License fees ...	299,400
	<hr/> Tls. 1,232,400

*Ordinary Expenditure.*

	Tls.
Police and Gaols ...	296,795
Health Department ...	57,885
Engineer's Department ...	503,050
Secretariat ...	93,300
General charges :—Fire Department, Volunteers, Band, Educational Grants, etc. ...	228,470
Estimated Surplus...	52,900
	<hr/> Tls. 1,232,400

*Extraordinary Income.*

To be raised by Debentures, if necessary ...	Tls. <u>550,000</u>
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*Extraordinary Expenditure.*

Bridges, Bundings, Buildings, Roads, Gardens, etc.	Tls. <u>604,324</u>
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To complete the table of the expenditure of public money upon Shanghai must be added the amount devoted by the French to the upkeep and improvement of their Concession

which verges upon Tls. 400,000, that is, that the cost of running the two settlements at present exceeds £200,000 sterling per annum.

The trade of China and its general trend have been treated of in a previous chapter, but the particular share taken by Shanghai is worthy of note in every respect. Shanghai would appear to be but the gainer by the opening of new ports, and her proportion of the whole volume of trade actually increases with the expansion of that volume, despite the counter attractions of new centers.

The total value of the import and export trade of all China amounted, in 1902, to the significant sum of Tls. 653,772,057, of which Shanghai contributed Tls. 138,775,708, or over 21 per cent. These figures are the sum of the foreign imports and native exports only, and consequently represent the whole trade, exclusive of re-exports of foreign goods to foreign ports, carried on by vessels under the supervision of the foreign customs.

The customs revenue for the year 1902 was Tls. 30,007,044, of which Shanghai's contribution was Tls. 10,814,077, or over 36 per cent. The tonnage dues on shipping aggregated Tls. 920,911, the sum received in Shanghai was Tls. 619,765, or over 67 per cent. The total carrying trade was within a fraction of 54,000,000

tons, of which Great Britain contributed 50 per cent., China 17 per cent., Japan 14 per cent., Germany 13 per cent., and the remaining nationalities 6 per cent. between them, Shanghai's interest alone was 36,000,000 tons. Nearly 9,000,000 tons were carried in Chinese owned vessels, but large as this proportion undoubtedly is Sir Robert Hart's prediction of forty years ago, reiterated in his recent volume, *These from the land of Sinim*, that the whole of the China carrying trade would, in a measurable time, be confined to Chinese craft still seems far remote from fulfilment.

So far then as the facts and figures adduced go, Shanghai makes good beyond dispute her claim to be entitled "the Commercial Metropolis of China."

So far reaching have been the benefits extended by the Recreation Fund, so many institutions—the Lyceum Theatre, the Museum, the Shanghai Library, the Cricket and Rowing Clubs, to say nothing of the Shanghai Club itself—assisted by its loans, and so prevailing is the absence of knowledge of the origin of this Trust, that a short explanation may be worthy of record. This fund was created in 1862 with the proceeds of some forty *mow* of land within the circuit of the old Race Course, now the Lloyd Road, which, costing two

years earlier \$2,245.75, realized the sum of Tls. 49,425. With Tls. 12,500 of this amount the Trustees purchased the interior of the present race course, consisting of about four hundred and thirty *mow* of land, now devoted to cricket, polo, football and golf grounds, and general recreation purposes. This Recreation Fund, though badly managed in its earlier days, was a free gift to the community, and represents a value to-day of more than Tls. 1,000,000. Its liquid funds are still and will ever be available for the benefit of the general public.

The climate of Shanghai is admittedly healthy, and the minor inconvenience of the summer heat is more than compensated for by a long and invigorating winter. The death rate in 1902 was 18.1 per 1,000 foreign inhabitants, and 30.9 per 1,000 natives, but doubtless these figures would read more favorably were more attention paid to sanitation, and greater restrictions enforced upon the ubiquitous jerry builder. What is wanted are more open spaces, less crowding together of dwelling-houses, less herding of the inhabitants. Public bathing accommodation is a want of long standing. Philanthropy has not yet come forward in this direction, nor in the matter of a Public Library or Public Technical Institution; but

it may be that soon the public spirit, which has ever characterised the inhabitants of Shanghai, will turn to these important subjects.

The foreign population of Shanghai does not increase in anything like the ratio that might reasonably be expected, for the Municipal estimate for the present year is only 7,600 of all nationalities. At the same time it seems anomalous that the Settlement, intended originally only for foreigners—an intention signally recognized and confirmed at a ratepayers' meeting thirty years subsequently—should contain to-day a native population of 350,000, dwelling in 41,869 tenements, as against the 1,886 domiciles occupied by foreigners. Practically there are fifty natives to every foreigner in the place, which certainly does not make for the improvement of the hygienic conditions of the Settlement, nor augur favorably for the foreigners' future. The women who are to grace and make happy the future homes of foreigners at Shanghai should not be compelled to spend their girlhood days or raise their children near the harems of wealthy Chinese, who, when they come to reside in the settlement, should be made to leave their domestic entourages behind.

In educational matters, strange to say, Shanghai scarcely keeps abreast of the times.



There are only four schools of a public or charitable nature, and amongst these, but in most unequal proportions, are divided Municipal grants to the extent of Tls. 10,000. Hitherto there has been no test by which to gauge the educational proficiency, generally admitted to be altogether unworthy of the place. However there are signs that some such standard of excellence, as that required by some of the great universities in their local examinations, will soon be the test of efficient schooling here; and naturally the public educational grants will in future be assigned to those institutions in proportion as they are found to satisfy the requirements of the Universities.

The difficulties of maintaining anything like proportion in the treatment of the various fortunes and conditions through which Shanghai has passed must be obvious enough. There are those who delight in the account of the early struggles of the Settlement; there are those who prefer to follow the gradual expansion of its trade; there are even those who desire a more up-to-date account of Shanghai than it is possible, at the moment, to depict. Failure alone would attend any attempt to satisfy all, but it is hoped that a sufficiency of interest has been awakened in the future of Shanghai, and that their belief will be justified who hold,

that in the opening up of the new waterways in the interior and in the ramification of the country with railways, both early contingencies, will be found justification for the Model Settlement's claim to be considered, commercially, the Empress of the Far East. But it should ever be remembered that the real interest of an international port like Shanghai depends upon the broad and liberal sentiment which influences the Municipal Government.

## INCIDENT OF THE CHINA-JAPAN WAR.

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In order to make the subject of this chapter intelligible it will be necessary to substantially repeat the principle discussed in the chapter on extra-territoriality, but I believe it will be more acceptable to preface this subject with a brief repetition than to ask the reader to read that chapter before undertaking this.

By virtue of the treaties between China and Western nations the citizens of the latter have the right to reside in the former without being amenable to the laws of China. Although the citizen of a Western nation leaves his home and goes to China to reside or engage in business he is not amenable to Chinese law, but continues under the jurisdiction and subject to the laws of his own country, and can be tried only by a diplomatic or consular officer of his country, accredited to China, for any offense he may commit while in China.

If there be no such diplomatic or consular officer, the citizen so offending is tried by a Mixed Court, sitting at a treaty port, and in

which some diplomatic or consular officer presides with a Chinese official. Under no circumstances are foreigners in China tried for any offense by a Court constituted solely of Chinese officials.

And, as is sometimes the case, a foreign nation may not have any treaty relations with China, but, with the assent of China, confides its interest and the interests of its citizens in China, to the representative of some nation having a treaty, and in such a case, the interests thus confided can be safeguarded under the provisions of the treaty of that nation; but in the event that the nation, having no treaty with China, and having failed to make the arrangement for safeguarding its citizens, as indicated, the interest of the citizen, which has been so neglected, must still be adjudicated by a Mixed Court and not solely by Chinese officials. By treaty, and local regulations at the treaty ports, China has long assented that the interests of foreigners, without diplomatic or consular representatives, be so adjudicated.

Such a practice at the port of Shanghai has always been successfully insisted upon, and for the rules and regulations which are to be observed, the reader is referred to the chapter on extra-territoriality, where he will find them quoted in full. The principle is, that no

resident of a foreign settlement, whether foreigner or Chinese, can be arrested by the Chinese authorities without the knowledge and approval of the foreign authorities of the settlement, and it is to this principle, which safeguards the person and property of foreigners, that Shanghai owes much of its prosperity.

It will do to repeat, that a foreigner, living at Shanghai, is as free from the jurisdiction of China as if he lived in his own country; no complaint against him can be heard or determined except by his consular representative, and, when a foreigner complains against a subject of China, he is further protected by having a consular officer of his own country present at the hearing and determination of that complaint. So much for extra-territoriality.

When war was declared between China and Japan, in 1894, there were large numbers of Chinese in Japan and Japanese in China, owning and representing valuable interests, and the United States were requested by both China and Japan to undertake, through their diplomatic and consular officers in the territories of the belligerents, to protect the interests of their respective subjects. The United States assented, and the Secretary of State instructed the ministers to China and Japan to protect

Japanese and Chinese interests according to international law; the same instructions were afterwards sent by the ministers to the consular officers of the United States in Japan and China, and it was published to the world that such interests had been confided 'to the protection of the United States.

Several months after the declaration of war, the Chinese authorities at Shanghai complained to the French authorities that there were two Japanese in the French Concession suspected of being spies, and requested that they be arrested. It has been seen that the Chinese authorities could not make any arrest in a foreign settlement, but the Chinese authorities knew that Japanese interests at Shanghai were under the protection of the Consul-General of the United States at Shanghai, to whom, they also well knew, the complaint should have been made, and not to the French authorities.

The Consul-General for France also knew that the Consul-General of the United States was entrusted with the protection of Japanese, and no arrest should have been allowed by him, or, if made by the French police without his knowledge, it should have been repudiated, and the complaint of China referred to his colleague, who could then have proceeded

according to the regulations provided for the government of the City and to his own instructions.

But this obvious course was unintentionally overlooked by the Consul-General for France, and the two Japanese were arrested by the French police, confined in the French police prison about twenty-four hours, searched, and all effects taken from them.

It was not until late in the afternoon of the day following the arrest, that the Consul-General of the United States was informed of the complaint or of the arrest, and the first knowledge he had of either was the presence of the French Consul-General in his Consulate-General with the two Japanese in the custody of a French police guard.

It will be evident to one who understands the peculiar government of Shanghai that, under the circumstances, the complaint of China should have been referred to the United States Consul-General, who could then have applied to the French Consul-General for such assistance as the case might warrant in accordance with the recognized rules of procedure between the two settlements. Even the exclusive rights claimed for the French Concession did not justify the arrest, imprisonment and the searching of the two Japanese whose alleged

offense the French Consular Court had no jurisdiction over whatever, and no authority to either hear, try, condemn, or acquit. The French Consul-General had no jurisdiction, in any sense, over the subject matter, and, by the act of arrest, imprisonment and seafch, the case came to the Consul-General of the United States complicated and embarrassed.

The strictly legal aspects of the case, however, presented no difficulties, nor did the regulations leave any doubt as to the proper course to follow. Although the United States Consul-General had been instructed to protect Japanese interests at the port of Shanghai, he was well aware that the instructions did not invest him with the judicial power to hear and determine complaints made against Japanese, as he would have had the power to do if the complaints had been made against citizens of the United States; and it was equally clear, that, when China complained against Japanese the tribunal to hear the complaint, in the first instance, was the Mixed Court of the International Settlement, the Court in which a Consular Officer of the United States presided with a Chinese official whenever the subject of investigation was connected with any interest about which the United States Consulate-General may have been concerned.



And the French Consul-General was so informed as to what was considered the legal bearing of the case, and, further, that the Consulate-General of the United States could not be made an asylum for Japanese charged with offenses against China. And therefore the issue presented at this stage was: should the Consul-General of the United States have refused to receive the two Japanese and not have protected them, until the charge made by China could be formulated before the proper tribunal for preliminary investigation, or should he have received them and secured for them a fair hearing before the established judicial tribunal holding its sessions in the settlement where his Consulate-General was situated? To have refused to receive the two Japanese would have been equivalent to undertaking not to protect them, after being published as their protector, and then, when the trouble came, to evade his duty by sending the two Japanese away from the Consulate-General, or shifting on the French Consul-General the responsibility for their safety and a fair trial. The latter was inadmissible, because cowardly, and the Consul-General of the United States would not be a party to it; he would not undertake to protect an interest and, when that interest was endangered, shirk the duty it was his to face.

The situation was fully explained to the two Japanese and they elected, of their own free will, to remain in the Consulate-General of the United States until their case could be reported and acted upon by the nations interested. There was no asylum given to them in the sense of concealing or shielding from China two men against whom she had complained. There were prominent Japanese in Shanghai at the time, and one happened to be in the Consulate-General when the two accused were brought there, and it was fully understood by all that nothing would be done until instructions had been received from the Government of the United States; but the consequent delay would not have been necessary had the French Consul-General kept out of the case, for then the accused would have been sent to the Mixed Court for a preliminary hearing. The thoughtless intervention of the French official, the arrest, the search, the imprisonment, all became immediately known to China, and, before any report could be made to the United States Minister at Peking, China demanded of the Secretary of State that the two Japanese should be delivered to her representative at Shanghai.

But the Consul-General reported all the circumstances to the United States Legation

at Peking, and also cabled to the Secretary of State, and specially directed attention to the peculiar government of Shanghai and the importance of respecting the jurisdiction of the courts, and the custom of the port. From the Legation there went to the Secretary of State cablegrams substantially supporting the view of the Consul-General, but the Secretary of State seemed to be influenced by the idea that China was an autonomous nation like Great Britain, France or Germany, and that the principles of international law applied to China as applied to those nations. And therein was his mistake.

The incident occurring in England, or France, or Germany would have justified consideration from an entirely different point of view than when occurring in China. The European nations named enjoy complete and absolute autonomy; their laws extend over all in their respective territories, and an alien or native committing an offense therein is amenable thereto and to the jurisdiction of British or French or German courts, and yet, during the Franco-German war, the United States Minister at Paris, instructed to protect German interests, received Germans accused of offenses, until proper arrangements could be made for their trial, and France made no objection to a

precaution that did not deny the application and force of French laws, but was based upon humane principles recognized by all civilized nations.

But in China the incident presented materially different considerations, made more material on account of its locality, for China did not enjoy complete and absolute autonomy, because foreigners residing in China were in no sense amenable to the laws of China or the jurisdiction of Chinese Courts; and at the port of Shanghai, where the incident occurred, even a Chinese subject, residing in a foreign settlement, could not be tried in a Court composed solely of Chinese officials.

At the declaration of war, the Japanese in China were not amenable to Chinese law or the jurisdiction of Chinese courts; they could not be arrested, except by the warrant of a Japanese consular officer, and could only be tried by such consular officer, and in undertaking the protection of Japanese interests in China, although the treaty between China and Japan was abrogated by the declaration of war, it logically follows that China could not demand more absolute and exclusive rights and powers over an interest, which she had consented should be confided to the protection of a friendly nation, than she had over that

interest at the time it was so confided; and in this view there is full justice to China.

Besides, the courts of China have never been recognized by Western nations as organized and administered upon well defined principles of law and humanity. The right to torture the accused is legalized by Chinese law and practiced by Chinese courts, and a greater precaution was enjoined upon the United States, especially when China and Japan were at war, and the most savage barbarity was being practiced upon the dead soldiers of Japan and her living prisoners captured by China.

It is true the Secretary of State consulted the Japanese Legation at Washington, and was answered that Japanese claimed exclusive and sole jurisdiction over Chinese residing in Japan, but the autonomy of Japan was no more complete than that of China, and foreigners residing in Japan were no more amenable to Japanese law and the jurisdiction of Japanese courts than they would have been if residing in China, and when undertaking the delicate responsibility of protecting the subjects of two Asiatic Empires engaged in a bitter war, neither of which were recognized as civilized and sovereign by the United States, there evidently should have been a clear understanding with them how that protection

was to be exercised, or if such an understanding was deemed unnecessary, then it should have been exercised according to the rules of international law and humanity, as agreed to by civilized nations, and not according to the views of two Empires not recognized as either civilized or autonomous.

The Consul-General was fully within the scope of his instructions when he received the two Japanese, as he did, for the purpose of protecting them, until the charges made by China had been properly formulated and a fair and open examination arranged for. International law justified such precaution for such a purpose, and, in China, strongly warranted it, and the claims of humanity made it imperative.

There were more than a thousand Japanese at Shanghai at the time of this incident, and, had the two Japanese been driven from the United States Consulate-General, Japanese life and property would have been in great peril. Had China known that she had only to prefer an accusation to get possession of the body of the accused, there would have been little safety for Japanese residing in China; and this opinion is not speculative, for in a subjoined note there will be found the printed proclamation of the highest Chinese official then at the port of Shanghai, offering rewards for Japanese

heads, and when it was known that the United States meant to extend a paper protection only, the Chinese officials at Shanghai became unusually busy in their attempt to have Japanese arrested. One even visited the Consulate-General to learn the name of the prominent Japanese present when the two accused Japanese were brought to the Consulate-General by the French police, but his impertinent insolence was seen and rebuked.

The protection, which the United States Government interpreted as proper to extend, placed Japanese in a more dangerous position than they would have been if their interest had been left to the protection of the Civil Government of Shanghai, for in the latter alternative the machinery for the arrest and trial would have been simplified, as their status would have been that of other foreigners residing in the port of Shanghai without consular representation. But when placed under the protection of the United States the civil authorities of Shanghai could not so well interfere; and when it became known that China had only to complain that a Japanese was a spy, and the United States Government would simply offer its good and benevolent offices, all the Japanese at Shanghai, about

one thousand, left in a hurry for Japan, and very prudently too.

And the danger of remaining at Shanghai was made more apparent when the fact was published that, upon the complaint of the Chinese Minister in Washington, there were two Japanese, alleged to be spies at Shanghai, and his government wanted possession of them, the Secretary of State cabled the United States Legation at Peking to deliver the two Japanese to China, and that cablegram was telegraphed by the Legation to the Consul-General, and when the Consul-General protested against such a course the Secretary promptly overruled the protest and repeated his positive instructions to deliver. If protection did not involve the exercise of a judicial function, as interpreted by the Secretary, then why did the Secretary exercise such a function by ordering delivery? The *status quo* could have been restored by sending the two Japanese to the French Concession where they had been irregularly arrested and leaving them there to be regularly proceeded against. That at least would have been more consistent.

The following letter from the Consul-General to the Secretary of State proves that duties were not misapprehended, and that



the principles of international law, as applicable to China, were correctly understood.

Consulate-General of the United States,  
Shanghai, China, August 21st, 1894.

Sir,

I have the honor to report that on the 2nd, I received from the Legation at Peking a telegram of the 1st, informing me of the declaration of war between China and Japan, with instructions that the United States had undertaken the protection of Japanese interest in China.

On the same day the Japanese Consul-General at this port addressed to me an official communication on the subject, and requested one of my flags to fly from his consular pole. He communicated to me that the request was made under instructions from his Minister at Tokyo, Mr. Mutsu.

The wires from Shanghai to Peking had stopped working, and it required about ten days for a letter to reach Peking, and this denied me the instructions of the Legation for the time, and I answered without instructions.

I informed the Japanese Consul-General that, upon general principles, I did not understand that the functions of his office would be continued in me, that I could not, in the absence of special instructions, assume to exercise any of his consular functions, for they ended with the declaration of war, and that the use of my flag, as proposed, could not be granted, for it might have the tendency of an unfriendly import to China.

He then asked me what I conceived to be the character of the new duties devolved upon me.

I replied that such of his countrymen as desired to remain in China to pursue their peaceful business vocations would be protected by my government, and if molested that I would feel it my duty to promptly bring the matter to the attention of the Chinese Government, and if charged with an offense, to intervene to the extent of having the charge intelligently made before the proper court.

He asked me if his countrymen in China were under American law: I answered that they were not under American law as an American citizen would be, nor could Japanese be tried in the court of this Consulate-General.

Respectfully yours,

T. R. JERNIGAN,  
Consul-General.

The above letter is clear as to what the Consul-General considered to be the scope of his duties under the instructions that the United States had undertaken the protection of Japanese interest in China. It is certain that he did not understand that he was to exercise functions of a judicial character, or the functions of the Japanese Consul-General, and which were never exercised, but he did understand that he was not to wholly ignore an interest confided to his protection, and *that* he did not propose to do, so far as he was left free to act by his superior officers.

On the same subject, and in explanation of the action of the Consul-General and the Legation in connection with the two accused Japanese, the Secretary received the following letter from the Legation:

Legation of the United States,  
Peking, September 1st, 1894.

Sir,

I have the honor to confirm your telegram of the 31st ultimo as follows: "Your telegram of this date received. My instructions of 29th clear."

Immediately upon the receipt of this telegram I wired the Consul-General to deliver the alleged Japanese spies held by him to the Taotai, and I notified the Yamen that this had been done. . . . The Consul-General has not acted in this matter under a misapprehension of his authority. Neither he nor I imagine that lending good offices invest Japanese in China with extra-territoriality, nor that the Legation or the consuls have the right to shield Japanese who commit crimes. No attempt has been made to harbor Japanese in other parts of China, though many occasions for doing so have presented themselves. The case of the two Japanese arrested at Shanghai is an exceptional one. On two grounds I felt justified in asking your instructions.

In the first place, the exclusive jurisdiction of the Chinese authorities over subjects of a power at war with China resident in the foreign settlement at Shanghai is sufficiently in doubt to justify the foreign authorities in demanding proof of guilt and stipulating for a fair trial before giving up such subjects when accused. The custom in time of peace is for foreigners residing at Shanghai, subjects of a power having no treaty with China and hence not enjoying the privileges of extra-territoriality, to be tried, when arrested for crime, by the "Mixed Court," that is with a Chinese magistrate sitting with a foreign "Assessor" on the French Concession. This assessor is always a French consular officer. On the Anglo-American settlement an English assessor sits with the Chinese official on Mondays, Wednesdays and Fridays: an American assessor on Tuesdays and Thursdays, and a German assessor on Saturdays. Before this tribunal are brought all Chinese charged with crimes and misdemeanors in the settlement, and all foreigners so charged not protected by treaty. They are heard and their punishment determined by the Chinese and foreign officials acting together.

The foreigners at Shanghai wished to establish the principle that this procedure shall be followed in time of war against subjects of a belligerent power. They are strongly averse to establishing the precedent that China shall have exclusive jurisdiction over such persons. This aversion is based on a desire to preserve the neutrality of the settlement and on an

abhorrence of the cruelty of Chinese criminal procedure. They justly argue that if Japanese are allowed to be taken from the concession and dealt with at the will of China, then, in case of war between the United States and China, Americans may be similarly treated. So far as any precedent already exists, it is adverse to such right of China. During the Franco-Chinese war Russia used her good offices for the protection of the French in China, and French subjects arrested at Shanghai were actually brought before the Russian Consul for hearing, China made no effort to interfere with them in any way.

The second reason for which deliberation and caution seemed justified was based upon humanity. The two Japanese seized at Shanghai are school-boys. For three years they have resided in the French Concession peacefully and openly. They give the name of the school, the teacher, and the place of their residence, with a minuteness which raises doubts in their favor. They are probably innocent. The Chinese authorities assert that their wearing the Chinese costume is a proof of guilt. To this it is only necessary to reply that they have been wearing it for years. Japanese clad as Chinese have been living all over the Empire: I have met them in Peking. Though contrary to treaty, no objection has been made thereto.

To give these boys up unconditionally is generally believed to be to give them up to death. The Viceroy of Nanking has, I am informed, already demanded of the Taotai of Shanghai why the heads of the spies have not been sent to him. They are judged and condemned in advance. The Governor of Formosa has posted a proclamation offering prizes for Japanese heads. In a country where such a thing is possible it is needless to inquire what chance a Japanese, accused as a spy, would have for his life.

Respectfully yours,

CHARLES DENBY, JR.,

Chargé d'Affaires, *ad interim*.

In the above letter Mr. Denby reviewed situation and pointed out the dangers

most clearly, forcibly, and conclusively; but the two Japanese had been surrendered against the representations of both the Legation and the Consulate-General, and the result proved that their warnings were well grounded, for soon after the Viceroy of Nanking got possession of the two Japanese they were decapitated.

In reviewing the incident there is no intention whatever to be critical, but rather to state the facts as viewed by one residing at Shanghai. Unless the Secretary of State had visited Shanghai, and carefully acquainted himself with the form of government peculiar to the City, he would naturally have difficulty in understanding why public sentiment at Shanghai so strongly protested against his positive instructions in regard to the accused Japanese. The Secretary acted as he would have been justified and warranted in acting if the incident had occurred in England, or some other country having full autonomy, but no nation that has a treaty with China recognizes China as an autonomous nation, and the foreign and diplomatic and consular bodies in China had long ago framed special rules for the government of the port and city of Shanghai, the enforcement of which are deemed absolutely essential to the safety of life and property, and, consequently, the prosperity of the city.

Besides the doctrine of extra-territoriality, so strenuously insisted upon, the city and port of Shanghai were declared a neutral zone by both China and Japan soon after the declaration of war between them, and this fact accentuates the soundness in international law of the position herein presented as correct.

The record, however, shows that before ordering the delivery to China of the two Japanese, the Secretary communicated on the subject with the Japanese Legation in Washington and received the following statement :—

*Statement of Japanese Legation, September 5th, 1894.*

“Mr. Tsunefiro Miyaska, Japanese Secretary of Legation, said this morning in relation to the reported action of the United States Consul-General at Shanghai, in delivering the two Japanese into the hands of the Chinese authorities, that it was entirely in conformity with the Japanese interpretation of the authority and power of neutral consuls in a belligerent country, and that should Japan suspect any Chinese subject, residing in Japan of being openly hostile to the Japanese government, or believed that justice warranted their arrest, Japan would not recognize the jurisdiction of any neutral consul over the suspect. The neutral consuls, while expected to exert their friendly offices to prevent as far as possible any injustice or undue severity being done, the native of one country while in the land of the other, had no actual jurisdiction whatever. Neither our consul's action or the summary punishment meted out to the unfortunate Japanese by Chinese authorities, it was said, occasioned any surprise at the Japanese Legation.”

A copy of the above statement was sent by the Secretary to the United States Legation at Peking as the view of the Japanese Government on the subject. It justified the action of the Secretary in ordering the delivery to China of the two suspected Japanese, and if Japan assented in that way to the delivery of two of her subjects to China, there is no reason from that standpoint why the Secretary should be censured for doing what the Japanese government virtually authorized. But neither Japan nor the United States should assume to upset the civil government of Shanghai.

But the Secretary took another precaution: the United States Minister to China was absent from Peking at the time, and the Secretary received from the Chinese Minister in Washington a promise that no action should be taken by his government in the case of the suspected Japanese until the Minister returned to Peking, but the promise was violated, and the Secretary rebukes the Chinese Minister in the following language:—

“Without assuming to question the lawfulness of this sentence, under the laws of war, the decapitation of the two Japanese, I regret to say that there is reason to believe that the men were executed before the return of Col. Denby to Peking, and, therefore, in

derogation of the voluntary promise, which you assured me your Government had made. If this belief should prove to be well founded, it is needless to point out to you the unfavorable effect which the action of the Chinese authorities cannot fail to produce on public opinion, not only in this country but elsewhere."

The reply of the Chinese Minister to the Secretary's merited rebuke was evasive, but it was too evident that the Minister's Government was responsible for the promise and violation of it: The Taotai of Shanghai made to the Consul-General a somewhat similar promise, and that too was violated with the same disregard for truth.

At the time of this writing, there is pending in the Mixed Court of the International Settlement a case which illustrates the principle discussed in this paper. There was a native newspaper, known as the *Su-pao*, published in the Settlement and which had been arraigning the Chinese government for its shortcomings and insisting that the reigning family be driven out of China. According to Chinese custom or law the offense was classed as seditious, and all those connected with the paper who could be found were arrested at the instance of the Government of China, and delivery to that Government demanded. The authorities' consti-



tuting the. Civil government of Shanghai refused the demand and contended that the prisoners should be tried in the Mixed Court and punished in the International Settlement, if found guilty. China appealed from the civil authorities at Shanghai to the foreign Ministers in her capital, but the latter sustained the former, and the prisoners will be tried in the Mixed Court with a foreign official sitting in that Court with the Chinese official. In the *Supao* case the offense charged is the most serious known to law, for here, on the soil of China, some of her own subjects publish a newspaper in which they advocated the overthrow of their Emperor, and yet, so important is the principle, that foreigners should govern within the limits of the settlement, that China cannot be allowed to exercise any authority therein. The maintenance of such a principle, in whatever aspect it may be viewed, is absolutely essential to justice and safety at Shanghai, and China has no grounds for complaint so long as she adheres to her sanguinary code and the infliction of barbarous punishments.

Had the two Japanese been sent to the Mixed Court of the International Settlement, as was the intention of the Consul-General, there would have been a full investigation

under the eye of a consular official of the United States, and their guilt or innocence would have been published to the world. That question is now in doubt, so far as known by a properly authorized investigation. But it is due to the present Secretary of State for the United States to write, that in refusing to surrender the *Supao* prisoners to China he has recognized a principle that goes directly to personal safety and business prosperity at Shanghai.

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NOTE.

*Proclamation of the Taotai of Shanghai during the  
China-Japan War offering rewards for Japanese.*

Liu, the Director of the Arsenal, Superintendent of Kiang-nam Customs, temporal Taotai of Soo-Soon-tai of Military Matters, bearing the title of second rank, hereby offer rewards :—

As the Japanese, violating the treaty without reason, recklessly creating trouble, are hated by both God and men, and are our common enemy, Imperial Edict has been received strictly ordering military commanders to concentrate strong forces for the quick suppression of the Japanese invaders and for the extermination of all the Japanese vessels, when met with, entering any treaty ports, etc. It is remembered that the districts along the sea coast, volunteer organizations have formed under the order of high authorities. Now a telegram has been received from the Viceroy instructing to offer rewards as follows :—

1.—Those who have killed the enemy by thousands, and gained a great victory, are given a reward of Tls. 100,000.

2.—A reward of Tls. 100,000 will be given to those who have destroyed a Japanese ironclad of large size and a sum of

Tls. 50,000 is offered to those who have captured the same of small size.

3.—Any body of troop who have guarded an important place carefully and have driven back the enemy will be rewarded a sum of Tls. 30,000.

4.—A reward of Tls. 30,000 will be given to those who have destroyed a Japanese man-of-war which is made of a mercantile vessel.

5.—A reward of Tls. 20,000 will be given to those who have destroyed a torpedo or torpedoes.

6.—Except ammunitions, all will be given as a reward to those who have destroyed a vessel or vessels belonging to the enemy.

7.—A reward of Tls. 1,000 will be given to those who have destroyed or taken possession of a boat of the enemy and have killed the enemy over ten persons.

8.—A reward of Tls. 50 will be given to those who have killed a Japanese invader, provided that the head has been brought up with himself for reward.

9.—Generals and commanders have killed the enemy with a promising result, beside a reward of money is given, will be memorialized to the throne, if see fit, for special promotion.

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